THE EMPIRE CLUB

ADDRESSES 1950-1951

THE EMPIRE CLUB OF CANADA

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SYDNEY HERMANT
President of The Empire Club of Canada for
1950-1951

THE EMPIRE CLUB OF CANADA

Addresses 1950-1951

CANADA AND UNITED EMPIRE

GOD SAVE THE KING

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The Empire Club of Canada

Forty-eighth year of Issue

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1950-51

John William Griffin (Chairman)
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EXCERPT FROM ‘ORIGIN AND OBJECTS OF THE EMPIRE CLUB” PUBLISHED IN THE YEAR BOOK FOR 1903-1904

On November 18th, 1903, a small meeting was held in Webb’s Restaurant, Toronto, mainly on the initiative of Lieut.-Col. James Mason, for the purpose of preliminary discussion. The Chairman in a brief speech pointed to the desirability of an organization, following the plan of weekly luncheons, to be addressed by prominent men, or men speaking with authority upon the issues of the day, and having also a distinctive basis of British Unity in its work and policy.

A sub-Committee met on the following day and appointed . . . . . a Committee to draft a Constitution.

The meeting at which these principles and rules were approved and organization effected was held at the Luncheon hour on November 25th, in Webb’s Restaurant, with some seventy gentlemen present . . . . after a discussion of various proposed names . . . . The Empire Club of Canada . . . . was approved by a large majority.

THE ROYAL EMPIRE SOCIETY
AND
THE EMPIRE CLUB OF CANADA

The Royal Empire Society of London, England, and The Empire Club of Canada at Toronto were both founded for a single purpose and with a common aim:—The strengthening of the bonds of unity within the Empire. This mutual objective is prosecuted with vigorous enthusiasm by the members of these organizations on both sides of the Atlantic Ocean.

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The opinions and views expressed in the Addresses, contained in this volume, are those of the speakers themselves and do not necessarily carry the full or partial endorsement of The Empire Club of Canada.

THE EMPIRE CLUB OF CANADA

"A PRESS PILGRIM'S PROGRESS"

An Address By

ALAN PITT ROBBINS
News Editor of "The Times"

Thursday, June 22nd, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada. This is a Special Meeting of our Club to hear an address by Mr. Alan Pitt Robbins, the News Editor of *The Times* (London, England). Mr. Robbins has been associated with his great Newspaper for the past 41 years, having served as Parliamentary Correspondent for 15. He has been President of the Institute of Journalists, and Vice-President of the Newspaper Press Fund, and a Member of the Council of the Empire Press Union. He is in Canada with many of his distinguished Colleagues to attend the Imperial Press Conference, and we take this opportunity of extending a very special welcome to those Delegates who are with us to-day. We are particularly happy to welcome to this meeting Capt. J. F. L. Woodcock, President of the Sir Arthur Pearson Association of War Blinded, and his Associates.

In welcoming Mr. Alan Pitt Robbins I would take this opportunity of expressing the appreciation of this Club, and I am sure of Canadians everywhere, for the great contribution made to our way of Life by the Fourth Estate which has always symbolized and zealously guarded our heritage of Freedom. Every Englishman knows that he may write a *letter to The Times* as an effective Court of Appeal, an appeal to the conscience of the Empire. We pay tribute, therefore, to a free press, to a great newspaper, and to one whose lifetime has been devoted to it. Mr. Alan

Pitt Robbins, News Editor of *The Times* (London, England) will now address us on the subject, "A Press Pilgrim's Progress".

MR. ROBBINS: Mr. President, Ladies and Gentlemen: I have got many things I want to say to you in the very limited time available and I want to make certain at the start that I won't forget one of them, that is to say how delighted I am to see Captain Woodcock and his friends here from the Canadian National Institute for the Blind. I am very happy that one of my spare time jobs in London is to be a Governor of St. Dunstan's. I suppose some of you lads know St. Dunstan's. You know Sir Ian Fraser and Lady Fraser, whom we all know as "Chips", they asked me before I left England if I met any of their friends in Canada to convey their greetings. I would like, if I may, at the end of the proceedings, to have just a word or two with you, if you will be so good.

Now, to get to this rather formidable task which has not been made easier by the shocking build-up which has been circulated to members of the Club. Unfortunately, this has fallen into the hands of other delegates to the Imperial Press Conference and I now have a lot to live down. I am told for the first time that in Fleet Street Mr. Robbins is regarded as *"The Times"*. Well, my chief, Colonel Astor, is with me in Canada and I have no doubt that Colonel Astor thinks he is *"The Times"*. I have assured him that I am not in any way trying to poach upon his preserves. But I certainly have been associated with *"The Times"* longer than he has, but . . . shall we say? . . . not quite as profitably, perhaps.

I am going to be serious in a moment, but I do want, before I go on, to say what a great joy it is to me to come back to Toronto. I was here a fortnight ago, at the Press Club, distributing awards for good Journalistic work, but I have also been here before. I was here in 1945, when I was doing a special tour, not on behalf of the British Government, but with the co-operation of the British Government, when I travelled from Halifax to Victoria, and I claim to have at any rate a superficial knowledge of

Canada which is probably as great as that of most of the members of this Club. I say very carefully, "superficial", and, of course, it is very superficial.

I have always remembered Toronto for one particular reason. I addressed the Canadian Club here, and when I arrived at the luncheon the Committee really dropped an Atom Bomb on me. It was a day or two after Mr. Roosevelt's death. They explained that on that particular day President Truman was to pay tribute to his predecessor . . . it was going on the air and they were going to relay it to the Luncheon, so would I please cut my speech by half and follow on after the President. For the first and probably the last time in my life I was associated in public speaking with the President of the United States. I must say his speech was better than mine because mine was prepared and his was prepared . . . and then they cut mine in half.

It is a great joy to come back again. As you know, I am here as a delegate to the Seventh Imperial Press Conference, which consists of delegates from all parts of the Empire . . . . and I am still calling it "the Empire" . . . I hope I do not cause any offence by calling it "the Empire," even though we have decided to change the name of our organization to the Commonwealth Press Conference.

I think one of the real features of a great gathering like that is not so much our set discussions but the way we are able to meet our colleagues from all parts of the globe, and also the way we are enabled to meet our good friends in Canada . . . not merely newspaper men but men and women from all sections of the community. I should like in Toronto to say how much we appreciate the fact that tonight we are being entertained in the private homes of citizens of Toronto. On a tour like this one does get rather tired of hotels and hotel meals . . . and I am not referring to today's luncheon. I suppose maybe we have lost some originality in our country. We are so used to having nothing for breakfast, we take the first thing that comes to us, but in the hotels most meals are the same and the surroundings are the same. To get for a few hours into private homes is a joy for us and I assure you all, we do appreciate it immensely.

The main subject, of course, of discussion at our conference has been the freedom of the press, which is a wide subject and is sometimes open to a certain amount of misunderstanding. We do not claim for the press any more freedom than we claim for the ordinary citizen, but we do insist that the freedom of the press is so vital to every citizen that we must safeguard it on every possible occasion. We have had occasions in recent years for considerable anxiety on that subject. We were even told during our conference that in one part of our colonial Empire there is a press law in existence by which a publisher may not make more than a certain number of changes on his front page without the permission of the authorities.

Well, if we are getting to that stage, one is really getting nervous as to the future. We will do all we can to preserve freedom, and we will of course recognize that freedom carries with it great responsibilities. If the Press begins to abuse freedom, then I think one can fairly say we shall have only ourselves to blame for anything that may happen.

We have had, as you know, recently in England a Royal Commission to investigate the finances, the control, in fact almost the daily life and the general behaviour of the Press. I was fortunate enough to give evidence before that Royal Commission. The commissioners were a very striking collection of men and women who did their work, I think, extremely well. They sat for well over a year and they produced at the end a very complete and exhaustive report which is well worthy of examination.

I am afraid that some of us at home are inclined to think that the Royal Commission gave the Press a complete, one hundred per cent bill of good health. I don't agree with that at all. They did give us very high praise but they did point to certain things which might be improved in the body politic of the press.

One of the most striking speeches at our conferences was by Mr. L. P. Scott of *"The Manchester Guardian"*

. . . the grandson of one of the greatest journalists that ever lived . . . Mr. C. P. Scott of *"The Manchester Guardian"*. He said he thought it would be a very good thing if occasionally newspaper publishers would turn the mirror on themselves and see whether everything was all right. I agree with him, whole-heartedly. There are things in the Press which it is difficult to explain or to stand up for, but I say that on the whole the Press of the United Kingdom is doing a good job. I am not, of course, in any way referring to any newspapers outside my own country. You may have a Royal Commission in time and I should like to see some of my friends . . . Mr. Bassett, Mr. Farquharson and others, appearing before it and going through the grill like we did. I am perfectly sure they would be acquitted with great credit at the bar of public opinion.

I don't want to go into detail about our conference because that is, I think, largely a matter for the profession. Therefore, I want, if I may, to talk generally on my subject of the work of a newspaper man. I have been rather cruelly reminded this morning that I have been on *"The Times"* forty-one years, and I did five years in Yorkshire before that, so you may guess I did not go to the University. I left school as a rather complete failure at my studies, at the age of sixteen, and went straight into a newspaper and I must say I have never regretted it.

We had at the conference a discussion on the training of journalists. I, personally, am convinced that the best training is in the newspaper office, where the man is liable to be called on to do anything at any time, and I am always rather pleased to quote a day in my life as a cub reporter of sixteen, when I was working in Leeds.

In the morning I had to report at the local Assizes the trial of a wife who had thrown vitriol over the other lady. That kept me busy until lunch time. In the afternoon I went to a local football match of some importance and in the evening I turned dramatic critic. Just as I finished work at midnight, thinking I had done a fairly good day's work, news came into the office that a local ratepayer had decided that he would no longer pay rates, so he solved the problem by murdering his wife, his three children and himself. That kept me going until three o'clock in the morning. At the end I felt I had really earned my very meagre salary. But I am quite convinced that kind of training is the best one can ask for. My ideal would be that the young man should go into a newspaper office and at the same time receive a general education course at the University. If you can get some system by which the two can run side by side I think that will be the real hope for efficient training in journalism in the future.

In my varied career I think I have done most things that a Journalist is expected to do. I reported the trial of a gentleman whom some of you may remember . . . I don't think he was a personal friend of any of you . . . called Dr. Crippen. That trial at the Old Bailey was one of the most remarkable things I have ever been through. *"The Times"* gave two pages a day and now we are told that papers which devote a few columns to crime are too sensational. I can never forget the way Crippen stood up to cross-examination. He never batted an eyelid, and I think at the end of that trial there were a good many people who had a great deal of sympathy for Dr. Crippen. If there weren't ladies present I would say what people thought of Mrs. Crippen.

Many years after that I came to Canada with Ramsay MacDonald, and as we took the pilot on board at Father Point Ramsay MacDonald's detective was watching very closely. I said to him, "Why are you so interested? He said, "Well, Sir, it was at this point that my father arrested Dr. Crippen." He was a son of the great Inspector Dew, who you may remember pursued Crippen across the Atlantic, and Crippen, all unconscious of his fate played like the innocent lamb he pretended to be. But the son was very thrilled and I thought it was an extraordinary chance he should be gazing at the spot where his father had helped make journalistic history.

That was one of my visits to Canada which I remember with great pleasure. But my most thrilling visit was in 1945 when I was invited by the British Government to come over to Canada. I will let you into a little history about that. The British Cabinet during the war thought somebody should be sent here to speak about the British Press in war time and they thought somebody should be selected who would provide visible evidence that Britain was starving and the choice fell upon me. I may say that that made a very good talking point five years ago. That tour was a wonderful experience but there is one thing I would caution anybody against and that is making I think forty-five speeches in five weeks . . . most of them an hour in length and all on practically the same subject. By the end of the time one could scream at hearing one's voice saying the same thing over and over again.

I remember when I got to Victoria they explained to me at the lunch table that my speech was being broadcast but it could not be put on the air until later in the evening, owing to their commitments. I was just leaving the Empress Hotel at night to catch the boat back to Vancouver when I heard the loud speakers in the lounge and a strange voice that I didn't recognize, talking on the British Press in Wartime. I suddenly realized it was my own effort and I did the journey to the boat in record time. I could not go through it again.

I am just wandering around and I hope you don't mind. I have no set speech. But there *is* one point I want to touch on. This is a rather delicate one . . . if I tread on anybody's toes, I apologize in advance.

For fifteen years I was the Parliamentary Correspondent of *"The Times"* and that period included the Abdication. I was very close to Mr. Baldwin, as he then was during that time. I may be prejudiced because he was a very dear friend and very helpful to me always, but I would like to say how delighted I was to see the editorial in *"The Globe and Mail"* this morning about the "Memoirs of the Duke of Windsor".

It is a very difficult matter to deal with . . . Baldwin, . . . Archbishop Lang are both dead. They cannot speak for themselves. There are very few who can speak for Mr. Baldwin now. I say, with all sincerity, that I am one of the few outside official circles, who was close to him during that period, and I have no hesitation in saying that the account given in the Memoirs is not a true picture of what happened during that time.

It is an unwritten law that a Parliamentary Correspondent does not reveal private conversations . . . at any rate during the life time of those concerned . . . but I do want to make it perfectly plain that Mr. Baldwin had a real affection for the Monarch, as he called him, in those days. He hoped, and believed, that he could persuade the King to change his mind. He fought a tremendous battle. Each of them acted according to what he thought was the right line to adopt, and according to his own conscience. But Baldwin for weeks carried on that battle almost unaided, before he even consulted his Cabinet, because he was quite prepared to take the responsibility and, if necessary, to crash, as at one time he thought he might do. It was very difficult to gauge public opinion on a matter which had not been discussed in public.

Mr. Baldwin told me that he had the greatest admiration for the Monarch's ability. He told me once that there was a time when he loved him almost like his own son, which doesn't sound like the man described in the book which is now issued.

As I said, there was a tremendous sincerity. There was a great occasion toward the end when the two men virtually wrestled for hours and Baldwin told me that at the end of that conversation they parted. They couldn't agree so they agreed to differ, but as he left the Monarch he said, "Well, anyway, we have both done what we think is our duty and we leave no bitterness behind."

I am rather glad that Mr. Baldwin has not lived to read these Memoirs. He obviously couldn't reply to them but I do feel that one in a very humble position would like to say something in defence of a great Englishman.

Well, Ladies and Gentlemen, I have got nothing more to say. My only regret is that Canadian kindness has been so overwhelming that it really is not possible to prepare a speech beforehand for occasions like this. We have had a wonderful time in this country but it has been a tax on our physical strength. Our mental calibre is much weaker than it was but I suppose that is the normal process of disintegration.

I just want to say in conclusion that I have spent all my life in Journalism and if I had a second chance on earth I should go in for Journalism again. It is a great life if you don't weaken. It is one profession which I think only strong men can undertake but if they like it they will love it.

It was Disraeli, I think, who said, "I am a gentleman of the Press . . . I bear no other escutcheon", and I am very proud to be a follower of Disraeli.

Thank you, so much.

VOTE OF THANKS, moved by Mr. Harold Hale, Editor *Orillia Packet and Times.*

"THE ROAD BEFORE US"

An Address by

PERCY JAMES PHILIP
Ottawa Correspondent of "The New York Times"

Thursday, October 5th, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: It is most appropriate that we welcome an old friend to address this opening meeting of our Club for the current Season. This will be the tenth in what we hope is a continuous series of Addresses before this Club by Mr. Percy James Philip, the Ottawa Correspondent of *The New York Times.* This most unusual record well expresses the warmth of our welcome and the compliment to our Club. The Chairman of our Year Book Committee has asked me to be sure to give a minimum of biographical information for the sake of the record even though our Guest is so well known to us. Mr. Philip was born in Scotland and was educated at the George Watson College, Edinburgh; later attending Oxford University. For 21 years he was Correspondent for *The New York Times* in France, and for the last 10 years he has represented his great newspaper in Ottawa. In addition to being a keen student of Canadian and International Affairs Mr. Philip is well known for his writing and nature sketches. His poem "This Canada of Ours" was sung by a chorus at the special ceremonies inaugurating the new status of Canadian Citizenship several years ago. The full text of the poem will be found in The Empire Club Year Book of 1947-48. Mr. Philip has just returned from Scotland, and England and France where he spent most of the Summer. He is going to speak to us now on the subject "The Road Before Us".

MR. PHILIP: Mr. President and Gentlemen, it is a great pleasure to be back among you and a great honour to be asked to open this new season.

Such clubs as yours are the strong timbers of a free and continuing society. You preserve the old traditions while you examine the present and face the future with open minds. I have been told that some would like to change the name of the Empire Club. They think it old fashioned. What nonsense! Are we ashamed of the Empire? Envious people have sought to give it a bad name but it was the greatest social political structure ever built by men. Out of it came World law, a wider civilization, new nations and new groups of nations. It has yet to be proved that this new world with its written charters and covenants, its defensive treaties, its commissions and its defined obligations is a better world than the old association of the Empire in which loyalty and honour were the only bond. While we wish well to the new do not let us cease to honour the old.

Among new peoples and new generations there is always a tendency to disparage the past. The young think themselves so much smarter. Yet it could be that from the experience of our flexible Empire which preferred to avoid trouble, they could learn lessons which might prevent them making serious mistakes.

And that brings me to today's subject. When I spoke to you last, March 31st, 1949, I chose for my title "Cross Roads", and for my subject the uncertainty we all felt regarding the future.

The United Nations had, up to then, put up a rather pitiful performance. Its disunity had been more marked than its unity. It was already obvious that it was going to be no assurance of peace and security. Even those who professed to believe in it had found it necessary to invent the North Atlantic Treaty, which had its origins in Canadian thinking, as a kind of executive arm for the ponderous oratorical organization at Lake Success.

Although its beginnings were not auspicious there was a simple sturdiness in the conception of the sea peoples of the North Atlantic uniting for their mutual defence. They might, we hoped, be able to do together the job the British Empire had done for over a century, of showing just enough strength to assure peace and freedom, like a policeman quietly going his rounds. The new treaty had the advantage, too, that it bound the United States to Western Europe in a definite tie-up so that it could never happen again that Europe and the Empire might be at war for years while we waited for the United States to hold a couple of elections and let events decide their course of action.

On that day as we sat at the cross roads I was, I find, mildly optimistic but when you asked me to come and speak to you again during the following season I felt compelled to excuse myself. The United Nations had remained an inconclusive debating society, exuding international irritation, and the North Atlantic Treaty had remained little more than another signed document. Frankly I felt discouraged and in no mood to add to the number of empty speeches.

But eighteen months have gone by since then and things have been happening. We have made the choice, or had the choice thrust on us, of which road to follow and of the people with whom we travel. It is of these that I wish to speak to you.

I think we might fairly call this new road on which we are setting out "the road from illusions". I would prefer to call it "the road to reality" but I am afraid that that might be going too far.

However we do seem to have turned our backs on most of that wishful thinking and those pious hopeings that were urged on us at the end of World War I, and during the concluding phases of the last war, by those who believed or said they believed that men and governments would become overnight sweet and reasonable members of the League of Nations, that disarmament was the right road to peace and, that we really ought to trust the gallant Russians, and dear Mr. Stalin.

If one looks at the case of Canada alone what a difference there is between the thinking and action of your government and people in these past few months and the simpleton beliefs that marked the years after 1918, the years before 1939, and seemed to be creeping over us again. Some may think your government has not gone far enough even now. That is none of my business. What I find amazing and comforting is that you Canadians have shouldered your knapsacks and started out in good spirit along the road away from illusion and make believe. You have decided to defend what you believe to be right against what you feel to be evil.

I do not think it is going to be an easy road to travel. There are right at the outset some disquieting signs.

For instance we are being told that the great purpose of all that has been done and is being done in strengthening our mutual defence system is for the purpose of preventing war—"an effective deterrent to aggression" is the official big word phrase. Let us hope it will be so. But for goodness' sake do not create another illusion in the minds of the people. I think it is much better to be frank and say openly that in view of the attitude, actions, and known intentions of the Soviet government in Moscow it is necessary that we should be prepared to have to fight—and let us stop there. Pussyfooting does no good. It only weakens peoples' resolution.

And there is another grave danger. It can happen, it has happened often enough in the past, that a small group of men, professional soldiers or politicians or newspapermen of the rabble rousing variety, can lead a nation and now, with our system of mutual defence, a group of nations, into war which might, could, or should be avoided. I need not be specific. Instances have occurred within our memories in every Continent and involving every nation. The Germans have not been the only war mongers. Let us beware of those among us who are nervous and shout loudly.

There is a third danger along this road. It is that we may come to rely too much on our material and too little on our spiritual strength. It could happen that the atom bomb might become another illusion, as Hitler's many secret weapons did, because they misled the Germans into over confidence, and failed to beat down the unconquerable spirit of the British and Russian peoples.

It is just as well that we should take count of these obvious dangers as we set out along this road of peace by preparedness. If we are to succeed in doing what all of us who have known war sincerely, desperately want to do and prevent another tremendous killing, we will need to be cautious as well as courageous, wise rather than just clever, and prayerful rather than arrogant.

In his memoirs Mr. Churchill mentions repeatedly how Hitler helped us win by doing the wrong thing. We made mistakes but our enemies seemed to make a habit of it.

And the Moscow boys in North Korea, it is clear, have done us all the same kind of service. They tipped Moscow's hand and in doing so warned and scared everybody. If it had not been for their attack on South Korea, which was a member of the United Nations, we would probably have gone on talking for years about what we were going to do to implement the Atlantic Treaty and doing nothing much. But the Korean incident showed the pattern of Moscow's tactics. It called the dangerous situation in artificially divided Germany to everyone's attention. And perhaps most important of all it touched the United States in a vital spot.

We have heard a lot in these past months about the sacredness of the U. N. Charter, international honour, and governmental morality. That's all very pretty but I should like you to look at the contrast between this incident and those that preceded it.

The United States, the United Nations and all the rest of us allowed the Communists to overrun China, to threaten Burma and to carry on a guerilla war in Malaya without doing a thing about it. Let us be frank. In spite of all our mouthings we did not really care about preventing the spread of Communism until it threatened us where we live.

What was different in Korea was that Korea is as essential to any nation which wishes to control Asia and the Pacific Ocean as is control of the Straits of Dover and the Dardanelles to anyone who wishes to control Europe and the Mediterranean.

In England we take a common-sense view of these things. We may give other official reasons why we fight—

the protection of Belgian neutrality in 1914, the preservation of Polish and Rumanian independence in 1939—one must always have a high sounding moral excuse for public consumption, but if you look closely you will find the Straits of Dover and the Dardanelles just round the corner every time.

Korea is in the same position. Japan found it essential to her perfectly legitimate policy of expansion into the Asiatic mainland. The Americans in Japan, possibly advised by the Japanese, found its possession or at least its control absolutely necessary to their continued presence there and to the future of Japan.

It was a piece of good fortune that South Korea had been recognized by the United Nations as a self governing country and even although its government was a minority government—for the last election gave some strange results—it could appeal to the United Nations for protection.

When one considers how American presidents have hesitated and fiddled around when even graver situations have arisen in the past the amazing decision and quickness with which President Truman acted in these last days of June stands out as something almost beyond understanding. Some day, I hope, he, or someone close to him, will tell the full story without too much idealization of how he came to do what he did and of how he got away with it.

Some of you may remember that in my last talk to you eighteen months ago I cited the facts that Mr. Bevin had been received in New York with a shower of eggs and Mr. Churchill had been booed. These incidents seemed to me signs that the pacifist isolationist cult had not quite died and might soon revive. It was one of the causes of my depression. But suddenly, over night, last June, the whole country, and in a measure the whole world, swung into action for a cause which superficially at least, seemed far more remote from U. S. interests and much less a moral issue than the invasion of Belgium in 1914 or of Poland in 1939.

This is a phenomenon which in itself deserves close and separate study. In the United Nations and in the North

Atlantic Treaty the great ebullient country of the United States has become our partner, a supposedly equal partner. In the past, before that partnership was formed, the problem for the rest of us has always been how to get her into war. But it looks now as if we were going to be made to look the laggards—and our friends and neighbours will, I fear, be much less delicate in reproaching us with being slow than we were on other occasions. Let us hope they do not try to hurry us too quickly along the road we are travelling together.

It was not an Imperialist or a Communist European but an American who invented the phrase "My Country, may she be always right, but, right or wrong, my country". It expresses a wonderful spirit, but in days when people become so emotional under radio treatment and atom bombs go off so easily in trigger happy hands it makes an old-fashioned person like myself tremble just a little at the knees.

I shall not comment on how the war has developed during these last three months except to say this, that once more it has been demonstrated that sea power is the ultimate essential to success. Even air power with its indiscriminate destructiveness does not count beside the capacity to land large numbers of fighting men either on a bridge head or behind the enemy positions. It was sea power and the manipulation of little ships that beat Napoleon and beat the Kaiser and beat Hitler and the landing at Inchon with all that followed so quickly is just another proof that the people who hold the sea have an immense advantage.

Having no doubt about how the war would eventually develop I sailed for Europe on vacation a few days after it began to find out what our friends on the other side of the Atlantic thought of it all.

In England, I found the people and the newspapers much less jittery than over here. Perhaps they think that nothing can be worse than last time and in that they may be right. Scare headlines look silly to people who have lived with danger. Making conversation they will ask a stranger, "I say, do you think there is going to be a war?" just in the same tone as they might ask if it was going to rain. But those quiet nice fellows with their bowler hats and their carefully rolled umbrellas, that one sees paddling down Piccadilly to business are not unaware of what might happen and they will cheerfully go out to meet it if it does happen just as they did last time. Meanwhile old chap—what's the good of worrying.

The other day rumour ran round Ottawa like a forest fire that a Soviet submarine had been in the Gulf of St. Lawrence. I haven't the least idea where the rumour came from or whether it was true. It was the kind of thing that flies around whenever the heat is on to get more men into the forces and more money for armaments. But do you realize that the St. Lawrence Gulf is as far from Toronto as Russia is from London and still the Londoners don't get hot and bothered. I think their calm might well be emulated on this continent.

I found my fellow Scots in a much more acute political fermentation than the English, but it was neither the Korean nor the Russian situation that they were excited about. It was the Covenant. It puzzled me somewhat that after all these years of union Scotland should even consider breaking away from England and trying to form a federal system—which even here is not without reproach or difficulty as I learned last week in Quebec. As I like to know things I started asking questions. There was a girl who wanted to keep the young Scotsmen from going to England to seek their fortunes. I believe her motives were purely patriotic and not in the least personal.

Then there was a laddie with political ambitions who said it used to be all right when Scotsmen got their fair share of political jobs—but there was only one Scot—Hector McNeil—a Minister in the present Labour government. I gathered that that was why the Labour government was not doing very well.

The provost of my native village gave a third substantial reason. He is a butcher by trade and the only butcher in the glen. "Of course I signed the Covenant" he told me. "We've got to be able to manage our own affairs. In the old days I used to buy, slaughter, and serve our ain Galloway beef and Cheviot lambs here in the glen. But now the government buys everything and carts it off to England and doles me out beef and mutton that I don't know a thing about. It may come from New Zealand and the Argentine for all I ken."

There were complaints about the enormous increase in inspectors of this and that controls and permits. A man was fined for using cement to mend a wall without a permit. The idea I found is growing that the excise duty on whisky for consumption in Scotland should be appreciably less than that charged in England and elsewhere. There appeared to me to be many solid, practical reasons behind this home rule movement and not just the usual phoney principles that politicians advance. I soon developed some sympathy for it, especially on the last issue I have mentioned. The Scottish product has been doing far more than its share both in raising revenue for the English government and in keeping the dollar unbalance from getting too high, and without any benefit to the Scots.

Of course when it comes to fighting the Russians or anyone else that's another matter. We are a loyal people. I noticed that the men sent to Korea were from the Argylls and Middlesex, a couple of scrappy although very different regiments.

You can count on the Scots doing their share towards fulfilling their North Atlantic Treaty obligations. The only comment that I heard on the Korean war was that it seemed an odd and unusual situation that the Americans should have been the first to get into it and be hollering for everybody else to come help! The Scots, as you know, have a queer sardonic sense of humour.

Both they and the English have long memories and one reason why they are not worrying very much is that they remember how just a hundred years ago there was a lot of talk about the Russian danger. It led to a scrap in the Crimea, to better nursing for the troops and a poem about the Charge of the Light Brigade. Of course wars are more apt to get out of hand nowadays but what was done by the British and French a hundred years ago can, they are confident, be done again.

The French—of course I went to France. It was my home for twenty-four years and I still love its smells—of coffee roasting, of bread baking, and of wine and cooking, of ripe cheese, of the sea and the soil, of its perfumes and its people—more acutely than I love any others.

I should like to be able to tell you that this other major partner in the Atlantic Treaty was fully recovered and just raring to fight any and every aggressor. But I am afraid it is not so. You see, the French have had a lot of experience of war and they think that almost anything is preferable. They invented the formulae by which we live—patriotism and nationalism in place of the personal feudal system, republicanism with its slogan Liberty, Equality, Fraternity, and their republican government was the first to conscript the citizenry for the defence of the regime although of course it said it was for the defence of la patrie.

Now your Frenchman wonders what it was all worth. Patriotism—he has seen its evils as well as its virtues—the only hope is for the world to become less nationalistic. Liberty, Equality, Fraternity—what crimes have been committed in their name. Republicanism—there seems to be no other choice, but in what disdain he holds the parliamentary regime. Conscription, what a delusion. The country with the largest population has always the largest army and on that basis world power lies between the United States and Russia backed by Asia. France, which was always first, hates being a lesser nation.

These views are not cynical. They are just the lees of experience and they are bitter. I had the impression that French thinking has gone beyond the old formulae of national and international life and they feel that they are alone in a world that does not understand. Towards Russia they have no hate—certainly none such as many still feel towards Germany. Towards Canada there is a warm affection everywhere but towards the United States, despite Marshall aid and all the rest of it, sentiment is qualified. As we stood in the ruins of a once lovely and historic Norman City which had been terribly bombed an old Frenchman said quietly: “I am sorry for the South Koreans”.

What they fear most over there is that they will again become the battlefield. They are concerned also about the folly of getting mixed up once more in an ideological war. You can never tell how your own people will react. The Normandy farmer has out of bitter experience reached the conclusion that there is no form of government that is worth a barrel of good cider and none so much worse than his own that he should leave his land to fight it.

He has also found out he can deal with his own Communists at home and that perhaps they have a certain usefulness in keeping the other parties in line. The tendency of politicians in France and in most countries is always to go left in their wooing of votes—but now they are afraid to go too far.

Perhaps the Frenchman's thinking is a good deal confused by his dislike of the Germans. To him they are still the enemy and Russia is still an ally. For that reason I felt and feel it would be a mistake for the other partners in the Atlantic Treaty to hustle the French too far and too fast, putting arms in their hands and telling them to go fight. They feel that they and the British are quite mature enough to manage things in Europe without a lot of nervous advice from outside and they are certainly not going to fight unless from the first day their partners are all there in force to fight beside them and help prevent their country from being invaded a third time. Win, lose or draw, they fear another war will entirely destroy the old civilization of Europe and must be prevented.

I feel perhaps that I should have spoken more pointedly and given you some purple passages but as a reporter of other men's sayings and doings I have found that the stupidest men are always the most categoric. All I have sought to do is to encourage you on the road away from illusion on which you have bravely set out and tell you about those with whom you are travelling. Where that road will lead to and how your fellow travellers will behave is beyond any man's ken.

VOTE OF THANKS, moved by Past President C. R. Sanderson.

"THE WORLD SITUATION"

An Address by

DOUGLAS JERROLD

Author and Publisher of London, England

Thursday, October 12th, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by Mr. Douglas Jerrold, Chairman of the famous old English firm of Eyre & Spottiswoode who, among other things, are printers of The Bible for His Majesty The King. Mr. Jerrold, a grandson of the famous English Humorist of the same name, is a noted Military Historian and Novelist. He served with the Royal Navy Division at Gallipoli, and later with the Ministry of Food. We welcome Mr. Jerrold back as an old friend. Many of us were privileged to be present last year when he made such a fine contribution to the Club, and we are looking forward to hearing him again to-day.

MR. JERROLD: Mr. Chairman, Members of The Empire Club of Canada:

It is a great pleasure and honour for me to be asked to speak to you again. My only complaint is that I had last year a comparatively modest assignment: I was asked to talk to you about England; but today, Sir, you have given me the world as my problem—the most generous gesture since the pope divided the New World between Spain and Portugal.

I hope you will not rule me out of order if I begin by making some reference to the British political situation.

After all, my country is still a part of the world, even if not quite as big a part as it used to be a century ago.

I am always asked two questions about the English political situation. The first is: when is the Election coming? and the second: What is the result going to be? Well I need hardly say I am not in a position to answer either question. Nobody is; but I think it is now generally agreed that an election this year is very unlikely and most well informed people tell me that an election next year is extremely likely. Well, you know as well as I know what is the value of the opinion of well informed people. Personally I do not believe there will be an election next year. I think it is unlikely for this reason: It is quite clear that public opinion in England and Scotland is divided—there is no sign of any shift in public opinion, and I do not believe that either Mr. Attlee or Mr. Winston Churchill, in these circumstances, is likely to force an election for the reason that whichever party forces an election on the other is going to lose a certain number of votes. People do not want to be disturbed. It is a peculiar reflection on our political system that we should have got the idea that if a Government has only a small majority the business of the country can not be carried on. It is quite a modern idea, peculiar to this age, and it comes from the mistaken idea that the business of governments is to pass new laws every year. Goodness knows we have had enough new legislation in the last five or six years, and everybody except the politicians are delighted to have a situation in which the government can attend to its proper task of administering the government of the country. So I don't think we shall have an election immediately.

As to what the result will be when it comes, the general view is that it will depend on whether Mr. Attlee goes to the country with a full Socialist programme or whether he goes with an appeal to the Middle Class vote. A lot of people seem to think that, if Mr. Attlee goes to the country with a very moderate programme, his prospects will be improved.

I believe that to be a complete misunderstanding of the position. If Mr. Attlee could persuade his Left Wing socialists to drop Socialism, his position would be improved, but there is no possibility of his doing so. If, therefore, he goes to the country with a camouflaged programme, soft-pedalling Socialism, he is certain to displease the hard core of the Socialist movement, he is going to get a lot of abstentions and a large drift to Communism.

The position of the Socialist Party in England at this time is that the more they soft-pedal Socialism the more they lose their working class support, and the more they speed it up, the more they lose their Middle Class vote. If Mr. Attlee goes as a convinced Socialist and tries to persuade the majority of the people of his sincere belief in Socialism as a remedy for all ills, the more solid his support in the Country, because his are hard core supporters in the Trade Union vote.

That is what I believe he is going to do, but I think that the effect of five years or more of Socialist government will inevitably lead to some form of Liberal-Conservative fusion, and I believe that the Conservative party will be returned with a small majority, probably a very small one. But that is the position as I see it.

But then the other question I am asked is: Who are the Conservative party? Are they really in a position to form a strong government? What leaders have they got with the one notable exception of Mr. Winston Churchill?

There is of course a great feeling of doubt in England and all over the world, about the quality of leadership which may be expected from the Conservative party as a whole. I believe that raises an issue, which is very fundamental with all the democracies, and particularly my own country. It is quite clear that something has happened to lower the standard of ability in public life in Great Britain. Naturally I speak at this point only of my own country. I don't believe for a moment—I may be wrong, but I don't believe for a moment—that there has been a falling-off or lowering in the standard of ability in the country as a whole; but it is quite obvious that the modern political conditions make it extremely difficult for young men, young men of ability, to go into the British House of Commons and learn their trade. It is virtually impossible. We have taxed the leisured class out of existence, and the political and economical conditions impose, as you all here know well enough, such a strain on those who are responsible for running large industrial or commercial enterprises, that they can not give the time they used to give to public affairs, and it is therefore extremely difficult to find out of any Party in the House of Commons enough men of first class ability to form a really first class administration.

But I do not think that is going to affect the quality of any alternative government in Great Britain, I think it is almost certain, and if Mr. Winston Churchill is spared to be Prime Minister again, it is quite certain, that the next Conservative administration would draw very largely for its leading members on people outside the ranks of professional politicians. I think it is certain our constitution must approach more and more to that of the United States where the Cabinet is not chosen from the members of Congress but from the leaders of finance and industry, men who have made their name in other walks of life; and I think that is really the answer, and of course, as long as the Labor party is obsessed with Socialism, it is certain that a Conservative Prime Minister would have the call on the services of almost all the leaders of finance, industry and commerce in the country.

I think that is the answer. I think we shall get, when a new government comes into office, a government with a large number of names new to politics but not new to the conduct of public affairs.

The situation that faces all democracies today is whether that solution is really adequate in the world situation which confronts us; particularly is it adequate in relation to foreign policy and defence? And I am bound to say that I do not think it is adequate. I think that it would be fair to say that it takes any administration today two years really to pick up the threads of the very complicated world situation. I don't believe it really begins to function efficiently as a team until it has been in office for two years. I think we probably all agree that one of the main causes of the disastrous world situation today was the fact that owing to Mr. Roosevelt's death and Mr. Winston Churchill's Parliamentary defeat, the conduct of the Free World's affairs passed into new hands in 1945, I think that it took those undoubtedly zealous and disinterested men who succeeded Mr. Roosevelt and Mr. Churchill, and whatever we think of their domestic policies, we have none of us any doubt as to their good will and conscientiousness, a long time to measure up to the situation. That delay is very serious indeed when we remember that they are facing a highly centralized military power with a constant policy and a government which never changes. We are facing men who are able to make their plans—and they did, as we know, make their plans—many, many years ago, and who are able to proceed to carry them out slowly, with a perfect knowledge that they will not be interrupted in the course of their execution. After all, to attempt to interrupt the policy and the conduct of the policy of the Soviet government is a task which requires a considerable measure of personal courage, and I think it is fair to say that the few people who have ventured to attempt to deflect the government of Soviet Russia from their course were very quickly liquidated. But the knowledge that they have these vast reserves of power behind them does enable the Russian Government to make long-term plans, and the whole drift of the democratic system is to make it virtually impossible for us to lay long-term plans as long as our present constitutional arrangements remain exactly as they are.

Now I want to refer very briefly, as an instance of these things, to four points which I mentioned last year as the four main sources of weakness in the world position of the democracies.

The first was the gap, as I called it, in the Atlantic Pact owing to the fact that neither Spain, nor effectively Portugal, were included in any of the schemes for the defence of Western Europe. That gap remains unclosed, and it remains despite the fact that the chiefs of staff of all the free nations are well aware that the Iberian Peninsula has to be included in any effective scheme of European defence. It remains unclosed because neither President Truman faced with Congressional elections, nor Mr. Attlee faced with the prospect of an election, is prepared to court the unpopularity which would come from recognizing General Franco. As I said last year, I do not defend General Franco's regime. I am merely stating that from a military viewpoint, this powerful body of anti-Communist people happen to occupy a territory which is vital to the defence of Western Europe; if they are prepared to co-operate, the view of the chiefs of staff is that they should co-operate.

It is an instance of the very grave difficulties under which the defence of the Western world is conducted that our statesmen do have to think all the time of the urgent needs of the military situation and also of the electoral position at home.

The second point on which I touched last year was the question of South-East Asia. Well I regret to say that the doubts and fears that I then expressed have been rather painfully realized. The situation in South-East Asia has deteriorated and is deteriorating, and nothing has been done to better it, because I believe that, with the democracies organized as they are, there is really no machinery in existence which enables them to take the necessary action in advance unless and until some actual crisis arises, as it arose in Korea.

The third point to which I drew attention was the extremely unsatisfactory currency situation at that time in Western Europe and indeed in most of the world except the dollar countries. Well, some progress has been made here as a result of administrative and political action in the sterling area, and the sterling area currencies are undoubtedly in a much healthier condition than they were twelve months ago. But unfortunately the world is now faced with the prospect of re-valuation in the sterling areas as a result of the dollar inflation, an inflation presumably due to the coincidence of the Korean war and the impending elections in the United States.

Anyway, that is the position, and an extremely unsatisfactory position it is, because for any long-term recovery of the world economy of the Free Nations there has got to be a large amount of capital investment by the dollar countries in Western Europe and in the New World, notably in Australia, and as long as this currency uncertainty remains, long-term capital investment is virtually an impossibility.

The last of the dangers to which I drew attention was the purely directly military danger which would continue, I said then, and I say it again, as long as and unless and until the Free Nations have been able to place and keep in the field adequate military forces, trained and ready for action, and under united command. Now everything I said on that subject has been painfully emphasized and clarified by the Korean campaign. It has been proved once again that you can not improvise armies to fight organized professional military invaders without a tragic loss of life, equipment and time and ground.

Well, as we know, thanks to what I think we must all agree to have been a magnificent feat of generalship, the United Nations forces succeeded in saving themselves at the last moment. They were just able to hold on to enough ground to enable them to bring their troops into action. But we must not be misled into thinking that that is enough, or that the same situation could be met in the same way either in South-East Asia or in the Middle East, or in Europe. It could not. This was a small localized campaign, and the United States had fortunately enough long-service troops available to turn the scale.

I would point out, moreover, and I suggest that we should keep it well in mind, that the amount of time lost and the amount of ground lost would have been absolutely fatal to the defence of Western Europe and would be equally fatal either in South-East Asia or the Middle East. If an attack developed there it would be far longer before any forces could be brought from the United States to the scene of action, or from Great Britain for that matter, and there is no time or space for retreat available. The strategy of retreat is just not possible in the defence of Western Europe. Well I think that is generally, and to some extent, agreed as regards Western Europe itself. There has been a movement to send further substantial long-term forces to Europe, and pressure has been exercised, and effectively exercised, on France substantially to increase her military preparations, but I do not believe that as long as we have a universal military service, it will in the long run be possible to maintain enough professional troops.

We in the British Empire have more than a century's experience of this urgent problem. In the days of our power and dominions we found it absolutely impossible to combine national service with the maintenance of the long service army which was necessary to maintain the outposts of a great empire. And I am sure that this is the case today.

If we would look at it only from the economic point of view, you have no doubt seen the immense increases in pay which have recently been arranged for the Armed Forces both in Great Britain and in the United States—increases very well justified—but those scales of pay are entirely incompatible with Conscription. You can pay those high wages to first class professional soldiers—but for a conscripted man who is going to stay in the forces 18 months and leave before he is fully trained, the cost is enormous and you are not getting anything for it. I am quite certain that all countries will in a short time be forced to the conclusion—this, of course, does not apply to you in Canada because you have not got conscription—that the defence of the Free World can only be entrusted to professional soldiers. We must think of the enormous military disadvantages of the conscript system—that a conscript army takes anything to three months to be mobilized, that when they are mobilized, they are half-trained, and they are not physically fit; they have to be hardened before they go into action. And this type of army is not suitable to the enemy whom we may have to fight, whom we are fighting in Korea, and whom we are likely to have to fight in Indonesia, and the enemy which certainly threatens us in Western Europe.

The reason why this problem of military organization is not tackled lies partly in the democratic system. I don't believe that any government like Mr. Attlee's government, with a majority of seven or eight, would dare to tackle the problem of the long-term re-organization of the British military system, and I am sure that they are right. I don't think it is possible for a government which can't look to be in office for a good five years, and preferably more, to tackle a problem like that because it would run the risk of going out of office with the system in transition and the defence system in a hopelessly chaotic condition.

Also the change-over has to be integrated with the plans of the other Free Nations, and as long as the governments of all these nations are living under sentence of death and are subject to elections at different times and moments, you will never get the governments of the United States and the British Commonwealth and the government of France, all in a position at the same time to make long-term commitments.

Well, Gentlemen, I hope and believe that you do not think that I am leading up to an attack on the democratic system. I have said what I have said because I believe that the democratic system is what we must fight to preserve and what we must preserve. I believe that it is essential to civilization as we know it, and I believe it is in danger because the system does not permit at the moment of the adequate organization of the defence of the Free Nations. I believe, therefore, that every consideration of logic, and every consideration of the urgency of the need for saving democracy from the dangers which threaten, must drive the free nations to some form of union for the purpose of defence.

The parties to any scheme, be it the Atlantic Union or the Union of Western Europe, would remain free sovereign nations, but I think the time has come when they have got to agree for a period of at least twenty years to a union for the purposes of foreign policy and defence. I do not see that there is any derogation of national sovereignty implied. I believe that in the Korean campaign we see the faint fore-shadowing of what is necessary, where you have what is not only technically but in fact an army of the United Nations, and not an army of any national or imperialistic regime.

Why I say some form of union is necessary, is because the position does not allow of another Korea, either in South-East Asia, the East, or Europe. By proper coordination of defence, you have got to have a standing army, the army has to be on the ground, and you have to have a pre-existing military organization staffed by people who have studied the problem on the ground, and the troops on the spot. You can not have it otherwise, when you are fighting an enemy with highly trained soldiers. That is the point that I would like to leave with you Gentlemen today, I am sure that events are moving in that direction and I think that had Mr. Winston Churchill remained at the head of our affairs in England his influence in Europe would have carried the cause of union a great deal further than it has gone. But the need is urgent, the time is now ripe. Certainly, in Europe, this is the hour; for the first time in the lifetime of anyone living, there is a real dying-down of the fires of nationalism, which have paralyzed Europe for so long, and a real opportunity for effective union. And I believe that with the good will and active co-operation of the nations of North America the necessary steps *can* be taken, whether they will be, neither you nor I can say. Thank you, Gentlemen.

VOTE OF THANKS, moved by Major Gladstone Murray.

"THE PSYCHOLOGY OF LYING"

An Address by

DR. W. E. BLATZ

Professor of Child Psychology, University of Toronto

Thursday, October 19th, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: Before introducing our Guest Speaker may I take a moment to ask Dr. Elias Clouse, a distinguished Past-President of this Club, if he would be good enough to make formal presentation of a new Flag to the Club at this time. As you will see from the wall of this banquet hall our fine old Flag has served us well for a long time but Dr. Clouse did think that we deserved a new one. He has personally designed a new Flag and is presenting it to the Club. I would ask Dr. Clouse to say a few words.

DR. CLOUSE: Mr. President and Fellow Members: I tried to stipulate that this flag would be an anonymous flag, but as you see, my suggestion has not been observed. However, I appreciate the privilege of having the opportunity of contributing any little thing that I may in the interests of the Club and the principles for which it stands.

And now I will ask the President if he will be good enough to accept the flag on behalf of the Club, and I hope it won't be entirely out of place if I add a few remarks about our British Emblem, the Union Jack.

Now the Union Jack was not born all at once; it was born in instalments. By some great achievement in British history, one colour was added, and then by another achievement another colour; and thence the stripes. And so was the Union Jack built up.

I am afraid that our Canadian people are not as familiar with their British Emblem, the Union Jack, as they should be, and if you will turn up the Club Year Book, there in the early history of The Empire Club you will find an address by the late Mr. Barlow Cumberland, who delivered a very interesting and informative address on the Union Jack, and that it was the flag that had "braved for a thousand years the battle and the breeze", and that great men had lived for it, and great men had died for it; great soldiers had carried it to various parts of the world and brought back glory, success and inspiration.

Now I feel that our people are not sufficiently enthused over our emblem. You may drive along the streets of Toronto on a holiday, and never see the British flag unfurled or displayed. Now The Empire Club of Canada stands for Canada and a united Empire, and the Union Jack is the emblem.

Now I wonder if it would be too much to ask the many members of The Empire Club, for each one to have a big fine Union Jack and have it displayed in front of his home on every holiday, or proper occasion? Gentlemen, don't you think it would furnish headlines for the newspapers the next day? Don't you think it would help to put Toronto on the map? And certainly it would help to put The Empire Club on the map! And may I say to the Membership Committee that in my opinion it would be a big help in their membership campaign.

MR. HERMANT: Thank you very much indeed, Dr. Clouse. This is just one more fine contribution that you have made to this Club to which you have given so much.

This is a unique meeting. I am sure that many Members have been scrutinizing the Head Table and wondering about the absence of our Guest Speaker, Major-General Brock Chisholm. I will give you the best news first and say that he is perfectly well although somewhat frustrated if one can imagine a frustrated Psychologist. But now the bad news. Last night there was a tragic train wreck in which lives were lost. It was the New York train bound for Toronto and Dr. Chisholm was on it. General Chisholm made every effort to reach Toronto. It was too far to drive and the only possible way seemed to be by aeroplane. Arrangements were made to charter a plane but, to use Dr. Chisholm's words conveyed over the Long Distance telephone "Government regulations made this impossible". It seems that respect for Rank is not what it was during the war.

This is not the first time we have been faced with such an emergency. Many members will recall the tragic occasion in 1939 when the Honourable Norman Rogers was proceeding from Ottawa to Toronto to address this Club. His plane crashed and Mr. Rogers, the brilliant Minister of National Defence, was killed. Several years ago the Honourable Hector McNeil, Secretary of State for Great Britain, decided to take the morning plane from New York to address our Luncheon meeting. It was a foggy morning at La Guardia Field and all planes were grounded. General Chisholm, having read the Pullman Company advertisements, had wisely decided to come the safe, sure way by train with these unhappy results. We are, of course, much relieved to know that he is unhurt, and we are hoping that it may be possible for him to address another meeting of the Club in the near future.

Happily The Empire Club is resourceful and very fortunate. To use a football term we are going to use the platoon system of substitution. Among our Head Table Guests is Dr. W. E. Blatz, a life-long friend and colleague of General Chisholm. Dr. Blatz is the Professor of Child Psychology at the University of Toronto, Director of the Institute of Child Psychology, and Consultant with the Toronto Juvenile Court. I advised him of my dilemma and happily he acceded to my suggestion that he address this meeting of the Club. Dr. Blatz tells me that the subject of his talk is "The Psychology of Lying" but I assure you, Gentlemen, that this implies no reflection on the advice card which brought you here to-day.

DR. BLATZ: If you think that Brock Chisholm's absence has ruined your lunch, imagine what it did to mine!

The subject of this talk is the Psychology of Lying: not the *Art* of Lying. I am an expert informant. There will be a short pause for all accomplished liars to leave if they wish, because they will not have to listen to this. I am pinch-hitting for your distinguished guest. I happened to be on the same boat, *The Queen Mary,* with him, and I heard most of his talk, and it is an excellent one.

Now this talk of course stems from my continued interest in children, and lest there be any opportunity for embarrassment, you will consider that I am talking about children. Looking about me, I find there are a great many of you with even less hair than I have, and perhaps some of these remarks I will give will not help you with your children.

It is obvious if I am to talk on lying, I should define it, and in order to define a lie, one must of course be able to define it in terms of truth; and you are all sufficiently familiar with philosophers since the dawn of history to know that no one yet, even among them, has agreed with any other as to a definition on truth. So you see I am saved from the definition of defining a lie: when one does not know what the truth is, one can't define a lie. However, you will all feel that you know what it is. I am quite sure that in your own youth, and towards your own children, you have often said: "Now, never, never lie". And when these children were younger, they always thought that their parents never lied. It took them sometimes fifteen, twenty odd years, to find out that that was not the truth, depending of course on their I.Q.

Now, like all scientists, one must divide the field into various parts, so that one can talk in a scientific manner. Scientists take a subject apart and forget to put it together again.

There are four kinds of lies, and these four I am going to discuss, and I am also going to tell you what you should do if you are in a position that you have to govern the behaviour of others—and you have to if you are parents, of younger children. I would guarantee that if you were to follow a plan that I laid out for you here, you would never have any serious problems in your home with reference to this pattern of behaviour. I can say that quite sincerely, because I haven't found anyone yet who will follow it.

The first kind of lie is what we call a *psychological lie.* That is a lie which you tell every time you open your mouth to tell someone else what has happened, because you see, in order to tell someone what has happened, you have to depend upon your memory, and the human memory is subject to three faults. These three faults are that you leave something out—called omission—and you add something to it—that is called addition; and you rearrange the facts—that is called distortion. Every time you tell anybody what has happened these three factors are involved, and it is a little more complicated than that because as you grow older it is impossible to be without bias, and so this bias creeps into everything you say, so that distortion and addition is governed by your biases. If a Conservative and Liberal went to hear St. Laurent and told of it afterwards, oftentimes you would wonder whether they were both at the same meeting or not.

So when your child comes home late for lunch, and the mother says to him "Where have you been?"—well he has to do a little bit of psychological lying. So he just says, "As I was coming along the street, a great big circus band busted into a telephone pole, a giraffe busted out, and I had to stay and watch it."

That is a psychological lie, with bias involved. As he gets older he has to tell his wife why he is a two o'clock traveller. There is bias there too, because he does not want her to worry. These biases of course are translated from one place to another until the story becomes wholly distorted. There is a story I tell in this connection. Two people met on the sidewalk, and one said to the other, "I have not seen you in a long time. I just heard your brother made $5,000 in the shoe business in Buffalo." And the other one says, "Well, it was my cousin, not my brother. It was not in Buffalo, but in Cleveland.

And it was not in the shoe business, but the hat business. And he did not make $5,000, it was $50,000. And he did not make it, he lost it."

So you have these stories distorted. And so we find it possible then to deal with our friends in a perfectly sound way. We know there are 20 percenters; there are twenty-five percenters; there are 50 percenters; there are 75 percenters; and some you can't believe at all. So it all works out to the best.

Now these psychological lies we can't do anything about, because they are inevitable. We can, under certain circumstances, so train an individual that they can be minimized. The scientist pretends to be such a person. A scientist is a person without bias, as you all know. He is trained to observe and record facts, and obviously, if he succeeds, he becomes an individual in whom one can be very confident that the bias is reduced to a minimum: *never* to zero.

So you see the psychological lie is with us always. You can't do anything about it except by your own observations and acumen size people up.

The next lie is *the lie of fantasy*. This is the lie in which one deliberately adds, subtracts and distorts, and the reason we do that is because human beings are exceedingly anxious to be interesting to other persons in the universe. So as we grow up, we learn, if we want to be in the presence of another human being, that we must be interesting, because that human being is interested in himself, just like everybody else, and if we talk about ourselves they won't be interested, and we would not have a chance to crash in. So we have to learn how to distort, how to leave out a great deal and how to add from another experience, and then, if we become skilled in these lies of fantasy, then people will listen to us, and that is a very nice thing, as you all know.

Now this is a long, long road: it is the most difficult task in human learning, to so develop your lies of fantasy that other people will be interested. Here we find the genesis for poets and novelists and painters, and sculptors and entertainers. They are all lies, they are all distortions. There is a game here, and that game is that if you can recite something in such a fashion that another person sometimes wonders whether it is true, and then he realizes that it isn't, but still wonders, then of course you have become skilled in that game. Some very unskilled persons, they will preface what they are saying by saying, "This is a true story". Or beware of a person that starts out with "Now let's be frank." You know what is coming.

You remember your Robinson Crusoe, "And it started out in Bristol in the year . . . ", sounded as if Robinson Crusoe lived, which of course we know he did not. Commercial enterprise has entered into it, and so novelists must have at the beginning the reference, What follows has "reference to no person living or dead." That is too bad, because it takes away from us the opportunity of losing ourselves in this medium and imagining that it is real, and if an artist of that kind can lift us out of the present and into a world where the delusion of reality is given with skill, then of course he is a good artist.

And you can see how important that is, especially for us Canadians who pride ourselves on our honesty, and we of course stunt the imagination of our children by having to tell the truth. So we have to import our best poets from Newfoundland, where they don't hear much about it, and our artists, like Healey Willan, from England. We Canadians are a very dull folk, and they say, "What have you been doing", and when you start saying, they tell you!

The third kind of lie is *the lie of loyalty*. This is a very important kind of lie, because those of you who are at all familiar with modern psychology know that the most important aspect of our personalities is *security;* you must feel secure. It is impossible to feel secure 100% by any means, but it is possible to compensate in certain areas for insecurity in others. And one way of doing that is to have very close friends, to belong to a gang, to belong to a group. We start out, thank God, with a family, and so throughout life we have to form more or less close human relations.

Now all of us have faults, and so in order that these faults will be minimized, we develop deliberately certain forms of behaviour that indicate loyalties, and we feel perfectly free to protect that belongingness, sometimes at all costs. So we develop lies of loyalty because these attachments are sometimes tenuous. We belong sometimes very close in comparison with those of our wives and daughters—Sometimes these lies are very trivial. In these trivial matters, we have what we call courteous ones. Someone bumps into you, they say "I beg your pardon"—they don't mean it—and you say "Not at all, it was my fault."—You don't believe that. If you said, "You are a clumsy goat", and you ask yourself how he ever got invited to this tea at all—it would be pretty difficult for you to carry your sword with you all the time.

They call you up for a game of bridge, and you say, "No, I am sorry, I am busy tonight", instead of saying, "I wouldn't play bridge with you for anything." You think that is perfectly proper, but remember, it is a lie.

And so one must become skilled in these lies of loyalty. We start very early in telling them to our children. Sunday afternoon, it is rather blustery outside, you are sitting in front of the grate fire, with your young son: he is reading the comics after you have, and you have settled down for a nice cosy afternoon. When down the street comes Jones, you say, "My God here is Jones, that old bore, I hope he does not come in." He comes up your walk and to the door, and you greet him with, "Well, Jones, I am glad to see you. We were just talking about you." He ruined your whole afternoon. He stays for a nice cosy visit, and when he has left, your son says, "Daddy, why did you call Jones a bore?" You say, "Ha, ha, children get into the kitchen there." Things like that happen in the home.

You will tell your son, "Anybody asks you how much money I make, don't you tell them." So that loyalty is built up.

If you become real skilled in these lies, they will make you an ambassador. And if you don't become real skilled and have not that degree of suavity to become an ambassador, you become an advertiser, creating advertising which is solid lies of loyalty. There may be some excuse —you are paid for it—I don't know. After all, some of these tires can't possibly be "the best in the world", because three or four people say they are, and they can't all be right.

However, you can see it is a very important thing to start early in your child to develop these lies of loyalty, because if he does not develop them, he could not live in our society.

Now you are wondering, are there no lies at all that we can just say we won't have anything to do with.

The fourth lie is *the lie of protection.* This is a lie in which the individual lies in order to avoid the consequences of his behaviour. This is a lie in which the individual will just say "No" because if he says "Yes", somebody is going to come down on him like a ton of bricks. We don't like that kind of lie, and we go to all sorts of devices in order to get our children not to lie in this way. Now I have a great deal to do with children, and I know perfectly well—in these kind of lies, remember there is no such thing as absolute justice except as an ideal, and as your child grows up he gradually forms a concept of justice. Every one of you in this room has a concept of justice. Justice is not just a willowy figure with the scales and the sword, that is the symbol. If you examine very carefully what you mean by justice, you will find it is the sum total of your attitude on how the world has treated you. You may give it lip service. And as these children grow up, their concept of justice grows, and if they are not being treated "fairly", as they say, then they are going to use any device to avoid consequences which they think are cruel, arbitrary and unfair.

So you see, if you find that your child really has lied, don't beat him, don't wash out his mouth with soap, because you and the family atmosphere are at fault, and you should go upstairs and sit down, and say to yourself, "What has been my treatment of my child—has it been such that he has found it necessary and fair, in order to avoid what he thinks I am going to do, to lie?" And if you are honest with yourself you will always discover that but by the grace of God, there go I, in every such instance. And if you then re-arrange your disciplinary procedure in the home, so that it is fair, you will find that those lies disappear.

Now the other kind of *self-protective lie* is not to evade punishment: it is the kind of lie we use to protect our self-esteem, so we lie in order to bolster up our self-esteem. In other words, we will say we make $10,000 a year, when we make only $3,000. That hat blocked was $7 rather than $3. What is the reason for that? Again we must look back to the early history of the child—all of us were children at one time—and find out whether in the course of our development we find out whether the opportunities we had for reaching a status in the community, that opportunities were denied. And in every case where you find such a lie of self-protection, you will find that individual was less fortunate in achieving that status outside of his own control.

So you see, *the psychological lie* you have to take for granted. If you are interested in having your son a scientist you can have him trained. *Lies of fantasy*, by all means foster,—there are too few of us. *Lies of loyalty* are absolutely essential if your child is to feel comfortable.

Lies of self-protection can be eliminated if we give children a fair chance.

So you see, if you do these things, children will not grow up not to lie, but by judicious training, you can teach them how, when and how well to lie.

VOTE OF THANKS, moved by Dr. W. J. Deadman.

"EDUCATION TODAY—ARE WE IN TUNE WITH THE TIMES?"

An Address by

G. BLAIR LAING, B.A.
Chairman, The Board of Education, Toronto

Thursday, October 26th, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by G. Blair Laing, Chairman of the Board of Education of the City of Toronto. Born in Montreal, Mr. Laing attended school in Peterborough and Windsor, and graduated from the University of Toronto in 1935. An Art dealer, Mr. Laing is President of the Laing Galleries here in Toronto, and has been a Member of the Board of Education of this city for 7 years. During the past summer Mr. Laing attended the World Brotherhood Conference in Paris, and took the opportunity of visiting schools and meeting with leading educationists in 9 European countries. During his visit to England Mr. Laing was presented to His Majesty the King, an honour of which we are all proud. This year marks the Hundredth Anniversary of public education in Toronto. I would like to take this opportunity of expressing appreciation on behalf of the Members of this Club to the Members of the Board of Education and its fine administrative staff for the vitally important service that they are rendering to this community. We are indeed fortunate that so many able men and women of proven capacity and high character have devoted themselves to public service in this way in order to insure that we have a predominance of sound judgment and responsible administration on the Board. This is at least a partial answer to those who suggest that we do not have able citizens offering their services to the electorate in democratic communities. Mr. G. Blair Laing, the Chairman of the Board of Education, will now speak on the subject "Education today—Are We in Tune with the Times?".

MR. LAING: My term of office as a school trustee has been perhaps the most interesting period of my life, and so, at this time, I would like to share with you some of my experiences, my philosophy of education, and also tell you a little of the history and progress of education in our city, culminating in this year of 1950, the 100th Anniversary of the founding of the first elected public school board.

Lest anyone consider me an educationist, may I say, that no matter how flattering such a term would be, I am *not,* but I am an interested layman who has had the benefit of seeing our school system in action, in having an opportunity to study at close hand just what our system is accomplishing in its attempt to develop our children into mature young people either ready for university or to take their place and earn a living in the community. I have also had the opportunity of working with outstanding educationists associated with the Toronto Board of Education during this time, as well as with Members of the Board who have given unselfishly of their services and knowledge in the cause of education for many years.

Now, one hundred years is a long period of time, but 100 years in the life of a young city such as Toronto is an exceedingly long time. The population, according to the 1850 directory, was 25,166 persons. There were no school buildings, and classes were held here and there in small halls or rented houses. It was in the year 1850 that Ryerson passed his famous School Act. A Board of Trustees was elected, and the principle of free public education was established. Dr. Joseph Workman, a physician, was the first Chairman, and among the members were such men as William Gooderham, Joseph Ridout, and Alexander MacDonald, names well-known in the life of our city even up to the present day. These elected Trustees were, and I quote from the Act, "empowered to levy school taxes, appoint teachers, and otherwise to direct the management of the common schools generally." Now one of the reasons for this Act, just referred to, was that previously City Council levied all taxes, and Council was reluctant to supply the appointed school board with sufficient funds. In fact, the schools had remained closed for a whole year previously, because of lack of money. And so, by 1850, the two principles that hold right up to the present day had been established: first, the schools were to be free, and second, the elected School Board had power to levy its own taxes. Incidentally, this was done by a collector, who was paid a commission of 7½% for his services. Later, the school tax was incorporated in the general rate.

Now the free schools were not popular at first. Since attendance was not compulsory, only a fraction of the eligible children went to school at all. Absenteeism among young persons, and, indeed, actual animosity of many parents toward the public schools in general was a problem in the growing city. It took the united efforts of many wise people, and the passage of a number of years, to come to grips with this problem of school attendance, and to succeed in demonstrating to the people generally that there was no stigma in attendance at the free public schools.

It was not until 1871 that the Compulsory Attendance Act was passed, but this applied only to children between the ages of seven and eleven and for just four months of the year. In 1891, twenty years later, the law extended the age to 14 and made schooling compulsory for the complete year.

During the early years, examinations were often oral in character, and were conducted sometimes in the presence of the parents, clergymen, and city dignitaries. Many of the scholars refrained from attending such inquisitions but then the Board passed a regulation automatically expelling any scholar who was not present on these occasions.

In looking over some old examination records, I came across several interesting problems which were quite typical of the times—questions asked at examinations. The following are selected from an early text book:

1. Divide 4½ gallons of brandy equally among 144 soldiers.
   Answer: 1 gill apiece.
2. A hare starts 40 yards before a greyhound, (notice the quaint language), and is not perceived by him till she has been up 40 seconds; she scuds away at the rate of ten miles an hour, and the dog, *on view,* makes after her at the rate of 18 miles an hour; now the question—how long will the course hold, and what space will be ran over, from the spot where the dog started?
   In case some of you haven't the answer, it is—60 5/22 sec. and 530 yrds.

Is it any wonder that in the early days education was no attraction for children, and school attendance a serious problem?

It is interesting to note the change that has taken place in the position of women in education generally, since those days. For example, in 1859, the Superintendent of Schools in Upper Canada writes in his official report:

> "Few females possess that mental ability and decision of character which are so essential to the successful teacher. The framers of the School Law committed *a grave error* in authorizing females to teach at all."

Not until 1871 were girls admitted to high school, legally that is. Some went previously, but only to take a few lady-like subjects, such as French, English and Music, and Art. Incidentally, for the purposes of the Government grant, which was determined by *enrolment,* two girls counted in the attendance register as *one* boy.

One can see that in the old days education was a cut and dried process. All students were taught the same basic subjects, and each student, no matter what his abilities were, was treated in the same way.

But today the aim of education is to develop the potential ability and skill of every child attending school. We have devised special kinds of education to suit special abilities and needs, e.g., there are classes for Crippled Children, classes to meet the needs of Deaf and Hard-of-hearing children; Sight-saving classes for children with limited eye-sight, and Auxiliary classes for slow learners. Our Commercial, Technical and Vocational schools provide specialized instruction in almost every subject that you can think of. The trend, then, has shifted from standardized education to attention to individual needs. Along with this has gone greater freedom for teachers, and more emphasis on local initiative.

Formerly, the Provincial Department of Education set the course of study, prescribed the text books and entrance examinations. But, today these things are left almost entirely to the discretion of the local authorities. For example, entrance examinations have now been abolished, and this year, for the first time in 80 years, our children may pass from public school to high school in the same way as they pass from class to class. Actually there is no reason for artificial barriers between public and secondary schools. A further example of this trend is an experiment conducted in a Toronto Public School, which *eliminates report cards* and substitutes *meetings with parents* instead.

All these things then, are remarkable improvements in our educational system. Education has been attempting to fit the individual to fit his responsibility in the modern world. In fact, I think I can say that the main purpose of education has been Democracy. And as the basis of our democracy is respect for the individual, so our educational system has come to emphasize the importance of training and developing individual personality and aptitude to the fullest extent.

All this is good—but now in the last half of the 20th century, we have come to a fresh stage in man's development. The past fifty years have been an age of great scientific discoveries. I need only mention three of them—

the invention of the aeroplane and jet propulsion, the discovery of radio, and television, the splitting of the atom, and the development of the Atomic Bomb to which I will refer later. These discoveries—have faced us with new problems and revolutionized our attitudes towards them.

The discoveries and inventions I have spoken of have one thing in common—they have tended to reduce the size of our world in terms of space and time. A century ago—even 50 years ago—no one in Canada cared much what happened in China, in Korea, in India—or even in Russia. But today, how different things are! The darkness separating us from other peoples has vanished. We live side by side with our neighbours, whether we like them or not. Everything they *do,* affects *our* lives.

In this shrunken world, we are called upon to face new and urgent problems of government, welfare, peace and war. The Western democracy of which we are so proud is regarded with hatred by gigantic forces that have overrun large parts of Europe and Asia. After two world wars to save democracy from Fascism, we find ourselves faced with a fresh struggle to preserve it from Communism. The challenge in both cases (Communism and Fascism) is levelled against the very basis of our system—against that respect for the individual that we cherish so dearly—and against the educational system that tries to develop the capacities of the individual to their utmost. We are pledged to resist this totalitarianism which is indeed a revival of age-old despotism that man should have outgrown by now.

How is education to adapt itself to meet this new situation? Education for democracy in the old sense is not quite enough. We need, I think, a new concept of education—which I shall call education for World Brotherhood or World Citizenship. We have taught ourselves how to live peaceably within our own community. We now need to learn how to live in peace in a united and democratically organized world.

Of course, our youth must continue to learn to be good Canadians. Our Children must be taught to understand the history and traditions of our own country, to appreciate its achievements and aspirations, not merely on the material side, but also on the spiritual side—in the arts, in literature, in music and in architecture. Unless and until we Canadians have developed an appreciation of these things, we cannot be considered as a mature nation. And it is only as a mature nation that Canada can make its contribution to the solution of the problems of world brotherhood and world citizenship that I have just referred to.

Now what do we mean, in a practical way, when we speak of Education for World Citizenship? Is it just a vague phrase, or has it a reality. I think something of its reality can be seen in the changes that are taking place at this moment, both here in Canada and in Europe.

One example is the increased emphasis laid on Social Studies in our curriculum, and the expansion of its scope. Our children are now learning more than ever before about the lives and problems of the peoples of other lands.

Here let me stress the importance of the latest gifts of science to our educational techniques. I refer particularly to the classroom uses of radio and the film—and I hope, before long, of television. These media have a special value in bridging the gaps of time and space that separate the peoples of the world from one another. They directly help the student in the classroom to widen his sympathies, as well as increase his knowledge.

Another new entry into the field of social studies is the United Nations—and the vast network of activities in world government, which it comprises. This great new experiment in world democracy forces us to think globally on such fundamental matters as food, health, education, finance. Our young people are keenly interested in the United Nations. So much so, that visits to the United Nations headquarters in New York are arranged from time to time by the Toronto Board for students to learn at first hand how the organization works.

In the title of my talk, the question was asked, "Is Education Today in Tune with the Times?" This was the question uppermost in my mind, when this summer I had the opportunity to attend a conference called in Paris, to create an international organization for World Brotherhood. This Paris Conference was attended by representatives of twelve countries, largely in North America and Western Europe. Leading educationists, business men, scientists and statesmen took part in the discussions. The Conference was divided into three sections:

1. Industry and Labour.
2. Religion.
3. Education.

Naturally the basis of the whole conference was educational. Everyone agreed that improvement of intergroup relations must come through a wider knowledge of the social sciences, the cultivation of an insight into philosophy, an application of the techniques of sound teaching, and the strengthening of religious motivation. My concern was particularly with the impact of these factors on the modern school.

The conference was chaired by the Chancellor of Washington University, Arthur Compton, who in 1942, as an atomic scientist, was present when the first nuclear chain reaction was accomplished. Comton foresaw in 1940 the coming of the atom bomb and fortold the momentous possibilities for good or evil of releasing the energy locked up in the atom. It was he who had a voice in making the momentous decision whether or not the atom bomb was to be dropped on Japan. He described to us his decision as one which required considerable soul-searching, because he is a deeply religious man. He told us how he reconciled the fact that the atom bomb should be used, with his own religious beliefs and concern for human brotherhood. "Those who love peace may have to use the atom bomb to preserve the kind of world fit for God-loving people to live in—a society of free men."

During the last day of the conference, I had the honour of giving an address of thanks, on behalf of the Canadian and United States delegates, to our French hosts, in the palace at Versailles. I pointed out that we, in Canada, occupy a unique position with our education and culture rooted both in France and Great Britain, which are old countries, but our social system and our economy closely united with the United States which is a new country like Canada. In this way, we think that we share the best of both the old and the new worlds.

After the Paris conference, I had the opportunity of visiting schools in eight different European countries.

While in England we also visited schools and talked with some of the leading educationists. A new British Education Act, the basis for which was made before and during the war, is now being put into effect.

I also had the great honour of being presented to His Majesty the King, and spent a few minutes discussing education generally with him. I was struck with his keen knowledge and interest, and it seems to me that His Majesty is well aware of the role of education in the world today, and the need of greater international understanding in the future.

My general impression of Europe is that they have much to offer us, not only from the standpoint of a rich cultural background but also in watching the results of interesting experiments going on all over. I was also struck with the friendliness with which people in various countries looked upon Canadians. Canada today is considered to be a first-class power. People look to us generally with a feeling of great respect and admiration. Our diplomatic corps throughout Europe (which has increased greatly since the war) is doing a splendid job in public relations for Canada. On returning home, I felt a glow of pride in being a Canadian and discovering for myself how high a place in the world Canada has gained.

I now come back to the question I asked at the outset. Is our Canadian Education in tune with the times?

Looking around us, and looking back over the past century, we are certainly entitled to feel proud of our Canadian schools and their teachers, and of the progress that has been made. However, legitimate pride is no excuse for complacency.

Much remains to be done to put our educational house in perfect order. Much has to be learned from other countries, especially those of Western Europe, where the spirit of experiment is still very much alive and is producing astonishingly good results. It is our duty as educationists to keep abreast of these experiments, and to adapt their results to our own use.

Above all, we must realize that education as a whole is bound to change a great deal during the next fifty years—as much, or even more, than it has done in the past one hundred years. If the nations of the world are to learn to live together in peace (as we all earnestly pray they will), then our educational system *must* find some way of effectively cultivating international understanding. In Canada, this implies the necessity of stressing the humanities as an element essential to the proper development of a sense of world citizenship.

The cost of the necessary changes will be great—but not great in proportion to the issues involved or to the ends to be attained. For what is at stake is nothing less than the survival of civilization itself. Is there any effort we educationists can afford to spare, any cost we can afford to shirk, in making our contribution to this supreme cause? I believe we shall prove worthy of the responsibility laid upon us—of safe-guarding education for democracy, education for a free and united world!

VOTE OF THANKS, moved by Past President the Hon. Dana Porter.

"JOHN FISHER REPORTS"

An Address by

JOHN FISHER
Canadian Radio Commentator

Thursday, November 2nd, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: Canadians everywhere know John Fisher and, because of him, know Canada better. Born at Sackville, N.B., he is a graduate of Dalhousie University. As a Member of the Bar of Nova Scotia he worked with the Rowell-Sirois Commission. John Fisher is a lawyer, newspaperman, writer, lecturer and broadcaster. He is perhaps best known through his National C.B.C. broadcasts, "John Fisher Reports". Mr. Fisher won the Beaver Award for the "Best Canadian Commentator". He has twice been awarded the La Fléche Trophy for distinguished contribution to Canadian Radio. Last year he received the honourary degree of Doctor of Laws from the University of Western Ontario. Hundreds of thousands of Canadian from the isolated Magdalen Islands on the Atlantic seaboard, to the equally remote Queen Charlotte Islands on the Pacific Coast, from St. John's to Victoria, in all parts of Canada, in its Legislatures, Pulpits and Factories, recognize his voice and appreciate his distinctive style. It is a great privilege for us to have him with us to-day, and I will now ask John Fisher to report to The Empire Club of Canada.

MR. FISHER: Monsieur le Président, Mesdames et Messieurs; Il me faît grand plaisir de vous addresser la parole en francais.

This is downright traitorous, isn't it? . . . addressing The Empire Club in the Royal York Hotel in the City of Toronto in French! That is bad! But I did it deliberately to point up a little fact: that is the nature of our country, whether we like it or not. We are that way . . . one-third French-speaking and two-thirds English-speaking, and I suppose as long as there are people in the world we are going to be composed of basically two, and we might as well get the fact in our noodles, as well as we might get a few other things in our heads that seem very difficult for Canadians to acquire . . . namely, that this same country of duality, this same country of the north has an enormous and staggering potential, and by the time they have put us away, and Father Time has pulled down another card and put up another century mark, you might find this to be one of the great forces in the world. You might find that this country, by the turn of the century, will have staggered and flabbergasted the predictions of even the most enthusiastic living at this very hour.

I thought, too, that I might go back and dip down into the well of privilege, for I have been very privileged by my Corporation and by my friends, to see this country in all its facets and moods and phases, to visit all the little nooks and crannies, and I think perhaps it is my obligation, occasionally, to share it with others. But I would like to say, since I am flanked on the right and left by some C.B.C. personnel, that all these peregrinations of mine, all these magic carpet voyages are not at the expense of the taxpayers, but there are some very kind Canadians who make it possible for me to get around.

Now, let us take a little trip far to the east of Canada, because we don't hear enough about Newfoundland, and I think we should, and I think the first thing to bear in mind about Newfoundland is this: how we did it. Every single school child in this whole country of ours should hear the story of the negotiations with Newfoundland. We did it in a British way.

Now, just contrast: supposing Newfoundland were Czechoslovakia, and the great U.S.S.R. had decided to bring Czechoslovakia into the fold. She would have done it with hatchet men, with softeners-up, with axe men, with Red Army manoeuvring, bands blaring and propaganda. There would have been pressure all the time.

The United States, despite her long and dear friendship with us, could not have resisted the temptation with Newfoundland to send in their televisions stars and their radio stars, and have people interviewed. The Hollywood Queens and the Hollywood stars would have appeared in Newfoundland. There would be a public relations expert with a barrel of whisky . . . the greatest insult to Newfoundland rum possible.

No, the Canadian did it in a British-Canadian way, because he is a queer bird. He is a product of environment . . . he is a product of a couple of centuries of evolution, I suppose you might call it, so we said to Newfoundland: We haven't any army at your border, we are not going to send the navy, we won't have any public relations guys in there. Sit down, Newfoundland, at this table . . . we are going to talk to you. Any time you have anything to say to us . . . if we are not generous enough, speak up.

That is the British way. Newfoundland really had no right there. She said we were not giving enough several times. We said, Okay, let us argue about it.

Wasn't that wonderful? When we finished there we still didn't have the bands, the hatchet-men and the softeners-up. It was done in the constitutional way.

I think that was very beautiful and should be shared with the children of Canada, to impress upon them the worth and glory of Canada.

Canada as a nation is unique. I think it was Arthur Irwin, in his beautiful piece of prose . . . the first man ever to put it down . . . who said that Canada was the only nation in the whole of the Western Hemisphere which achieved its independence in the constitutional, peaceful, evolutionary way. It did not cost us any blood. Yet we are as independent as a Republic . . . just as independent as the United States. Yet we are the only republic or nation in the whole of the Western Hemisphere which did not break its links, its sacred links with Europe.

So today we are united in the sympathy and the bond and the friendship and the warmth and tradition of the Crown. Over the years and generations this new kind of a partnership has been formed . . . all your Commonwealth of Nations.

Now, it is probably strange that you should have me at an Empire Club because people hurl some pretty vicious invectives at me. They call me Chauvinistic, that I am anti-British . . . they call me everything.

I think they are wrong. I hate Nationalism with all my soul. I am a Canadian. I think it is a Canadian's duty to be enthusiastic about his country. We allow an Englishman or a Scotsman to be enthusiastic about his country, and never question it. We allow the American to be enthusiastic about his country and we never question him. But we have always been a little too cautious or cynical about the Canadian who spoke out loud about his own land.

When I say it is strange *I* should be at The Empire Club, in the eyes of these people it is strange because the kind of an Empire I respect and honour is the kind we have today, about which I have been speaking . . . the Newfoundland way . . . the partnership of the Commonwealth with all nations equal, where there is no domination any more and if one partner is in trouble we say, here is a billion bucks . . . take it . . . don't ask any questions . . . we are glad to do it because we think you need it . . . and one is selfless and we think it will eventually help ourselves the next day.

It is a beautiful thing. In other words, the old Empire that so many old people go nostalgic about is dead. The Empire of Victoria, of Kipling, is gone long ago. It will never come back. I think of Newfoundland . . . it is wonderful . . . in its place has come this great lesson for the world . . . how nations can get along without any constitution, without any pressure, but simply out of good will and a recognition we are better off by working together and linked by this beautiful thing that has nothing to do with politics or pressure or actualities of the moment.

That is the kind of a British Commonwealth to which I subscribe with all my heart. So when Canadians accuse me of being nationalist and anti-British, of spreading tales and canards . . . when a certain publication asked me to write an article a while ago and I said the old Empire of Victoria is dead, they refused to publish it . . . they thought it was anti-British and detrimental. I maintain that people who talk of the Old Empire are doing more harm to the beautiful thing called the Commonwealth of Nations than any darn fool nationalist in the Province of Quebec, or some extremist in the West or in the East. Let us admit the beauty of the moment and how we have evolved this thing.

Canada will never break away from this. She couldn't economically, she won't politically and she won't spiritually, and she wouldn't want to do it.

When you hear a Canadian talking Canada, that isn't disloyal. Every link must be strong . . . a chain is as strong as its weakest link.

When you look at the movement of humanity you find more and more is moving West and if this great and enormous potential, called Canada, can be strong and united, for sure, as the Nordics say, the stronger will be your family of nations called the Commonwealth.

That is my political thesis in a nutshell on the subject of British relations. This Canada's potential is a thing I am sure must fascinate those in the Old Land, those at Westminster today because, as you look around the world and see the juxtaposition of powers and see the darkness of the curtains and the things happening to millions of people all over this planet of ours, it makes us stop and wonder and I suppose as the cynics, or as these totalitarian specimens look out on the world, surely the great thing to the north of the United States would possibly be considered one of the world's plums and it seems to me it is incumbent on us in Canada, it is Christian, it is religious, to work in order to fill it up, and in order to bring people out from behind the barbed wire of Europe, wherever they may be living, and let them share in this great thing we have on this continent.

We bring in a few thousands a year and certain Unions get worried that they are going to take the jobs; other people are worried that they are going to take houses, and that there will not be enough jobs and not enough houses.

Gentlemen, if we in the democracies cannot find some way to bring in not thousands but millions, some day we will be forced at the point of a bayonet to do it, and then we might be bringing in the kind of people that perhaps we wouldn't want. If we will not do it we will be forced some day at the paint of a bayonet to do it, and the United Nations, if it works, will bring pressure, and suggest and ask us to do it.

I suggest that we start to lay the groundwork now, and what we need in this country is thinking on the subject of our potential and the subject of giving God's children wherever they may live in the world, a chance to share in the bounty and glory we have in this Canada of ours.

You know, I think we have always under-rated Canada. I don't believe in spellbinders . . . I don't believe in people saying "My country, right and wrong" . . . I think that is silly and dangerous. The part I like about Canada . . . it has grown up so much in the shadow of the greater forces, Great Britain and the United States and, to some extent, France, and to an extent, the world, because Canada trades with the world. That has developed a Canadian approach which is quite wonderful. You will always find a Canadian more enthusiastic about things outside than he is about things at home. For instance, it is easy to enlist the support of a Toronto man on the subject of the United Nations, and he can go to New York and sit with the Indian Delegation, and the Canadian will probably be the most sympathetic man there. He will understand the Indian problem . . . he will listen to the Jewish problem from Palestine and Israel . . . he will understand that . . . he will understand the South African problem . . . anything outside his own country. Get him to understand the Maritimes, or Quebec, or the West . . . he is rigid and cold.

There is an element of good in that, and a psychological aspect . . . we are never quite sure of ourselves. I think that is beginning to change, but it is not changing, to my way of thinking, quite quickly enough.

Let us take this enormous development on the economic side. Before I get to that, let me point this out, which I started to say . . . I believe that Canada having grown up in that way, with its British heritage, its American ways, is actually perhaps a half century or a century ahead of the United States in terms of political sophistication or political maturity or political stability . . . perhaps a half century or a century ahead.

On the other hand, in terms of economics or distributing its assembly line in terms of per unit cost or distributing the factory across our country we are probably a half century behind the United States.

But if Canada, with this growth, and with iron in Quebec and in Labrador, and water power all over, and the seaways . . . if Canada can come up economically to get down the distribution cost . . . if you can have economic costs coming down, once you can improve the economic situation then you have the prize plum of the world right here in the Dominion of Canada.

As I said when I spoke to you once before, Canada is a great machine, it is like a great assembly line, roaring and charging ahead, and with a man sitting on top of the machine with a great lever or brake and when the machine goes a little too fast or shows too much speed, the brake is applied in the name of British caution, fair play, noblesse oblige, play the game, or whatever it is.

I would like to think . . . sometimes maybe I am an incurable romantic . . . that the purr of that machine sometimes has the laughter of the French, just as I would like the French Canadian to have a little more appreciation of our sense of materialism. If we could have a little more of his basic philosophy, the love of basic things, love of family, the love of Church, and if he could get a little more of our spirit of hygiene and bathrooms, what a country we could have, with both contributing.

That is my little comment . . . . . . as they say in Quebec.

I get an awful pasting . . . people say I must have been born in Quebec. I wasn't. My grandfather was an Anglican clergyman. My people are still fighting as to which one got off the Loyalist boat first when it landed in New York. Probably that is half of what is wrong with New Brunswick . . . they are still quarrelling over who was first on the first boat.

I felt it my duty long ago to go down to Quebec and learn the French language. I wish I could speak ten languages. I think if this country would open its eyes and if all would learn more of each other's language it would be an advantage that would be simply superb. I never met an educated English man who couldn't speak a second language. In Europe they think nothing of speaking two or three languages. Canada would have a wonderful advantage if we were big enough to get around the prejudices. Mind you, if we did know a little more about each other I think a lot of extremes and arrogance on both sides would simply go down the St. Lawrence. It is there . . . I could rant and rage up here, and nothing will change . . . let us get together and build a bigger nation. Let us pay tribute to the fact we have been pretty remarkable. It is really a wonderful thing, with only fourteen million . . . and we haven't reached fourteen million until December 1st, according to the bright boys at Ottawa. On December 1st we have fourteen million. Now, fourteen million from Newfoundland to the Yukon . . . six and a half time zones . . . with fourteen million shoulders to hold up the second richest roof in the world, with the problem of language, with the see-saw of British and American, with a very tough country of freeze-up and break-up, black flies, Christmas trees, and long stretches . . . I think it is the greatest miracle of nature the world has ever seen on a per capita basis.

Canadians are never allowed to say that. Nobody stops them, but Canadians are so cautious, so afraid of being out of line, they never bother to tell the story to themselves.

So, consequently, while all this neglect was carried on Canadian slid over into the United States, so that today there are about seven million people of Canadian ancestry living south of the border. Just think what we could do with another seven million people in this country. I wish we had them. But they went to the United States, not because of the height of the grass or the ring of the cash register, entirely, but largely out of the attitude in the United States . . . they are a little quicker to recognize talent, not quite so concerned about ancestry. I don't know . . . they just weren't quite as cautious as we were in telling every day about the American way of life. We didn't bother. Now, I think it is coming and if we could bring up the economic side how wonderful it will be in this country.

In my travels the last year I have been around quite a bit. In the last year I visited the British Isles, France, Sweden, Norway and Denmark, forty states of the forty-eight, and from Newfoundland to the Yukon, and the thing that impresses me about my travels in the United States are twofold: First, no matter where you go in the United States today you can feel the industrial pulse. In other words, the Americans have at last learned the secret of decentralization of industry and even in the south they are booming today. Go to the State of Arkansas and you find all kinds of new shoe industry that came from the New England States. You find big plants in the north who point out that it is more economic to have a little tiny unit, a part of a big thing, a little part there, and they find labour relations are better in a small town. Everybody knows the other fellow.

I think one of the great revolutions today is in the South, so much so that the centre of population in the United States today is now approximately at Kansas City. The centre of population is about Kansas City and it is being pulled south and west and especially to the west, with the enormous development in Texas and California, both industrial and chemical development.

Also, go to Milwaukee and St. Paul, got to Seattle in the northwest, and go down to the Carolinas now, and to Virginia, and you find the industrial assembly line is moving all over the United States.

That gets rid of the awful problem we have in Canada of the jealousies and the poor extremities. Here we have the three little Maritimes, suffering and bleeding and bawling too long. Here the West has always a chip on its shoulder about Ontario and Quebec. Why is it that the Canadian plants have not decentralized? Is it a state of mind or is it purely economic? Is it because we are a nation of a thin line, therefore it is not economical for a harvester company to establish its branch factory in Saskatoon or Winnipeg or Brandon? Or is it just that things are going here nicely and as is the Canadian way, don't overdo? I don't know . . . it is probably a mixture of both.

Now, a very distinguished Canadian implement company when it started operating in the United States in a big way discovered it was economical to put up a plant in California, that it was economical to put up another plant in Wisconsin, but that same Canadian Company, not too far from us, has no plant outside of Ontario in Canada. Why? Is it a state of mind or is it economics? I wish somebody would give me the answer. It must be part of both, because I understand that the biggest sales unit of that particular X Company has always been in Saskatchewan, which is totally farm country. Yet the factory is here. Now, it would not detract from Ontario one bit if we could learn in Canada to decentralize and let the rest of Canada share in the industrial dream a little bit. It is one of the greatest things that could happen to this country.

Now, are there signs on the horizon today it is coming? I think so . . . a little bit. I think it is coming. I think once Canadians get the feeling it is worth while they will do it. It isn't only a state of mind. I can see the industrialists' point of view. I went through a big plant yesterday. I said, "Couldn't you put a plant out West?" They said, "There aren't enough people. Give us people and you will see us move all over. It is only natural we should be in Ontario and Southern Quebec . . . we have population and proximity to coal, and so forth."

That is the first thing I noticed in the United States . . . they are moving today all over with their big manufacturing concerns.

Now, the second thing in my travels that I noticed is the enormous and almost childlike respect for Canada. My lectures in the United States have taken me all the way from Miami and Portland and from Los Angeles to Portland, Maine . . . the two Portlands . . . and I have come in contact with a great many top American business leaders. A man told me the other day in the United States that he had seven million dollars that he must invest each single week, he must find a place for it. He said he would like to put the whole thing in Canada but the laws of the different states will not allow it.

I said, "Why?"

He said, "You are a very stable country, very cautious, your laws are sound, you don't panic, you haven't the terrible problems of clashes that we have in our country. You are about the level we reached at the turn of the century as far as industrial and agricultural balance, in terms of the exploitation or development of your resources. Canada cannot miss."

This was about two months ago. He said, "As a matter of fact, I predict your dollar will soon be unpegged and it will not be too long before your dollar will demand a premium because your country is so well administered and the developments going on are enormous!"

Now, I learned from Americans all over more about titanium ore, and all these Canadian things that I do from Canadians. There is hardly an American Investor's Analysis out today without some mention of the Dominion of Canada. You notice in the American edition of *Time*—I didn't see the Canadian one and there is quite a little distinction—the American edition had a tremendous story on the Canadian growth in population, about our industrial expansion, power expansion, and so on. All through the United States, the top business man feels we have got something.

Always in Canada there is a nice blend between Business and Government. We have not the terrible clashes you get in the United States today between the Republican Party and Business men and those in Washington. It is softened a little in Canada because we recognize we have to do some things together. Consequently, we have to do a lot of things. I was thinking of the Dollar Sterling Board, and the Boards that work with Government. We feel there is no infringement on rights . . . that is an old British idea . . . they are working for the good of all. That is a strong Canadian characteristic.

A lot of these top fellows tell me that Quebec is a province to watch. I met the Timmins Brothers a short time ago and they told me when they really get rolling and start building railways, they will move ten million tons of iron ore a year. That will be the equivalent of 35 trains a day down and 35 up . . . a major railway operation. You can't move ten million tons of ore with that kind of a railway operation without a lot of people.

I don't admit for a moment we are going to have another Pittsburgh or Cleveland, but something is going to happen in that marvellous land that Cartier said God gave to Canada. Something is going to happen.

There is great interest in the titanium field . . . it is a metal to watch. I read an article in *The Reader's Digest* about titanium . . . it has the strength of steel, the propensities of nickel, and the developments will be terrific once we get going on it.

The things that will happen in Quebec in power . . . Ontario is thrilling up to this point . . . Ontario has used a great deal of surplus waters and the next development in the way of power is going to be in the Province of Quebec. There will be more development in the Tadoussac to Labrador than all the rest of Canada. I have seen some of the rivers and the Grand Falls on the Hamilton River in Labrador are, I think, something like twice the height of Niagara. I don't know what the potential is . . . it is simply staggering. That is going to happen.

Now, Gentlemen, I want to conclude my little talk on the subject of cynics and cobwebs. There are all kinds of little guys in each generation that get in the way. I would far rather meet a big guy who thunders and rants and a big guy who can't get his mind straightened out, than the little cautious Joes and cynics who always come up.

"They never will find gold in Ontario", they said as late as 1905, at the time of Cobalt. You will never get gold in Northern Ontario. Well, it seems we have dug up quite a little bit since that time. I guess the only people who exceeded us were the South Africans. Why they dig gold out of a big hole in Canada, and dig it into another big hole in Fort Knox, Kentucky, is beyond my ken, but as long as it keeps going it creates employment. But gold has meant everything to this Province of Ontario.

No, Gentlemen, you will never get gold in the Province of Ontario. The overburden of the clay is too high, too great.

They said the same thing about the Wright Brothers in 1903. In 1903 a distinguished Professor of Physics in British Columbia said to his graduating class: "I have been reading in the paper about some crazy goons called Wright Brothers who said like a bird they would zoom through the sky. Gentlemen, that is impossible. I will stake my reputation as a Doctor of Physics on that statement. Steel is heavier than air. Man will never learn to zoom like the birds."

Well, I think people get around quite well with our mechanical birds, whether they use a North Star Rolls Royce engine or not.

You remember the predictions after 1887, about the turn of the century . . . a lot of people thought nothing would ever develop in the West. There are still people in Toronto who say that Northern Ontario is nothing but rock, bush and black flies . . . what is there ever up there? There are lots of people in Toronto who don't believe that Northern Ontario holds one of the great prizes, not for metals and minerals but for agriculture . . . farm land. I spent three days this summer roaming through the clay belt and I saw farms in production that I had never seen equalled anywhere else . . . not on this continent but in the world. I saw farms away beyond the Cochrane limit producing 600 bushels of potatoes to the acre and I don't think you can equal that in the banana belt of Southwestern Ontario, despite the beautiful balance and expansion. There are sixteen million acres of potential farm land in Northern Ontario. Your Northern Ontario seed potatoes are today being shipped to New Brunswick and Prince Edward Island, to provinces that always prided themselves on their own potatoes. Northern Ontario seed potatoes go to Texas and to Oklahoma. They are in great demand.

Northern Ontario timothy seed goes all over the world. I have never in all my travels, even in tiny, tilled, worked Denmark, even in beautiful pastoral England, I have never seen clover crops the equal of Northern Ontario . . . a so-called cold, barren land of rocks, Christmas trees and black flies.

You see, we don't know half the time, we are not told, and we listen to the little blue guys . . . they say it can't be done. I bet you, before you and I are put under the sod this very hotel might be heated by gas from Alberta. That is not strange. Chatham gets gas from Texas. Detroit is partly heated from Texas and the whole United States is criss-crossed by gas pipelines. I won't be surprised if that pipeline goes to Montreal some day. We may have more than one. Who knows the significance of iron here, and oil there? If we get the St. Lawrence seaway I don't see how you can hold the country back.

There is no land so dependent and in such a favoured position to reap fruits from the engineer when he sows. This is a professional engineer's country in the sense we have always been held back . . . we didn't know what to do with the Christmas trees or the rocks or the white water. Now, in this electrical knowledge of refrigeration away up north, the bulldozer, the geiger counter, the motor, the wonder drugs and the airplane . . . all these things and all they mean . . . who are you to say to me that there won't be thousands and thousands and maybe millions of people living five hundred miles north of Toronto some day?

They said that people would never live in Chicoutimi, they would never live in the Saguenay, they said they would never live in Timmins, in Sudbury, in Calgary . . . who wants to live in Edmonton? I wouldn't mind living in Edmonton today. I wouldn't mind having a little chunk of real estate in the City of Edmonton.

It is so easy to be cautious now. On this oil and iron ore development the thing that bothers me is this, that the Canadian does his best to entice American investment capital to come into this country. We say that is fine . . . it flatters us to think the Yanks are so impressed with the stability and potential of Canada that they will send billions into this country. Then when they get their money in we sit back and nip at them and you say we will soon be owned by the United States.

Well, now this is true. Instead of being owners ourselves of our resources we will wake up some day to find we are owers . . . the "n" is gone. Owners . . . Owers . . . note the difference.

Today I think sixty per cent of every dividend is passing out of the country. That is why in Alberta, despite the predictions it is going to be another Texas, you do not see the direct result of the boom as in Oklahoma and Texas. That is good to a point. You don't see the apartment buildings, the garages, the little factories, the office buildings that should be thrown up on the Alberta landscape today. You do not see it because the cream, the gravey is not left there, because Canadians in this great tremendous thing called Toronto, Montreal, and big fat, middle aged London, will not get off their seat and take a chance in oil to the same extent the Yanks do. Play it safe! As long as you have a nice bank deposit, you will hold on to it, or a slice of Brazilian Traction, which is outside the country. That is true. There is very little Canadian money coming in to Alberta oil.

In Edmonton they had a banquet to honour the retirement of a President of an oil company. There were six hundred at the banquet and I don't suppose there were enough local Albertans or Canadians, except four, with enough money in Alberta oil to provide axle grease for their own cars to drive there and home from that meeting.

Why? You can't tell me there isn't money in Toronto or Montreal. Sure there is money. Canadians are Ottawa conscious . . . they play safe every time. We are going to wake up with an awful jolt if we don't have a little faith in our own country.

It is wonderful that British capital is coming, and that American capital is coming. May it always come and may they always have faith in us. May we never do anything that will frighten them away. But surely there is a place in the scene for faith in our own show. Let us get the lead out of our shoes and get at it. Are we going to be content with being a nation of copycats, of branch plant operators, or are we going to get in and pitch and drive ourselves?

It seems to me, Gentlemen, in this age of fear and peril and the terrible threat to the world that comes from a certain quarter, it seems to me that business must be full of gamble and full of daring, because the moment business withholds and is cautious, that is exactly what Uncle Joe wants . . . it is exactly what he wants. If you can get people afraid and not doing the things they should do, or doing the thing they shouldn't do . . . he doesn't have to have a war . . . a little Korea here, something else there . . . people will get cautious, easing up, people get jittery and excited, they don't jump in the way they used to . . . and he wins by default, if you like, or wins without great cost.

So it seems the very essence of democracy, especially in this country which is so young . . . you see, the United States population is pretty well fixed at 150 million . . . the Canadian population has that youthfulness in it and we haven't put the fixation point on it yet that I have seen . . . we are away at least, and I think Canadians in business, for the very sake of Democracy, must express it.

That is my theory . . . this is no time to be cautious. We simply must recognize it is a very dangerous world . . . it always has been dangerous and in every age of man little fellows stood up and said, "This is the end". It never has been, it isn't going to be tomorrow. True, it is dangerous, but let us get rough and tough . . . let us plunge ahead and do some of the things we know should be done. It is always going to be the same . . . never a world Utopia. That is what Democracy is . . . a reflection of the things it feels and movements like religion put the emphasis on the individual . . . if you are smarter than the rest of the fellows you get up on your own steam. That is a very sacred privilege. We don't have to worry about this so-called Uncle Joe if we do the things in Democracy that we should do. There is nothing wrong, basically, with the Capitalistic system. There may be some abuses . . . we know that. Where it does get into trouble is that we, as human beings, abuse the system through greed, selfishness, hypocrisy. If we could play the game a little more, if we could get a little closer to the basic religious conception of man and recognize other people are a little different, what a force we could put in Democracy.

I believe if we did that the one man in the world today who should be afraid is Uncle Joe, not our people. For a generation before he has said it is foolishness to believe in God . . . that is for soft-bellied Western Democracy. There is no such thing and he has brought up a whole generation to believe there is nothing bigger than Man.

Okay, suppose anything starts in this world, and something happens to his political setup . . . he can't look to anyone . . . he has denied, he has put a void up there. But in Democracy, especially the free world, we have the triumphs of the past, the distributions of the assembly line . . . not good enough yet, but the best in the world . . . we have all the accomplishments of Science. The ideas of Democracy always get better each year, and we have also the knowledge, when we get into trouble, all we have to do is look up and say, "We put our faith in Thee, Oh, God, and we are not afraid."

If anybody should be afraid today I think it should be Uncle Joe. If Democracy can't stand up and be enthusiastic, then we don't deserve to have the sacred privilege of Democracy.

VOTE OF THANKS, moved by Harry Oldham, United Kingdom Trade Commissioner.

"EXPECTATIONS AND EVENTS"

An Address by

GRAHAM FORD TOWERS, C.M.G.
Governor, Bank of Canada, Ottawa

Joint meeting with The Canadian Club of Toronto

Thursday, November 9, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Canadian Club, and The Empire Club of Canada: We are to hear an Address to-day by Graham Ford Towers, C.M.G., Governor of the Bank of Canada, and President of the Industrial Development Bank.

Born in Montreal, Mr. Towers attended St. Andrews College in Toronto, now located in Aurora. Proceeding to McGill University his Course in Political Science was interrupted by the First Great War when he served with the Canadian Forces in France. At the end of the War he completed his Course at McGill, and then joined the Royal Bank of Canada. This seemed to be a career for which he was well fitted by heredity and temperament since he can trace his lineage back through three generations in merchant banking.

In 1934 with great foresight Parliament passed the Bank of Canada Act establishing a central bank with broad fiscal and economic responsibilities, and the Rt. Hon. R. B. Bennett, then Prime Minister of Canada who some may remember was head of a Conservative Government, persuaded Mr. Towers to leave the Royal Bank where he was now Assistant-General Manager to accept the appointment as the first Governor of the Bank of Canada for a seven-year term. Succeeding Governments have reappointed him in 1941 and 1948.

In 1939 Mr. Towers was appointed Chairman of the Foreign Exchange Control Board, and in 1944 became President of the Industrial Development Bank. Despite his necessary intrusion upon the business affairs of many Canadians from time to time, Mr. Towers does enjoy the confidence and respect not only of the business community but of all citizens. For his outstanding services to Canada and the Empire, His Majesty awarded him the Cross of St. Michael & St. George. Canada has an enviable world-wide reputation for the excellence of its Civil Service and also for the high character, stability and integrity of its financial institutions, a well-deserved tribute to Mr. Towers and his colleagues, and to those who direct Canada's great chartered Banks, Insurance Companies and Trust Companies, many of whom are in this room to-day. The subject of Mr. Towers' Address is "Expectations and Events". I don't know whether or not they are 'blessed' events. Perhaps Mr. Towers will tell us.

MR. TOWERS: Mr. Chairman, I think those present today will agree that whatever one's opinion may be of events in Canada since the war, no one could say the period has been a dull one in the fields of business and finance. The year 1950 has been no exception to that rule.

However, the remarks I intend to make are not directed to documenting this case, but to making, I hope, another point. This is that many of the looming anxieties of our time have not in fact materialized . . . and that even some of our most hopeful guesses have been surpassed by realization.

I do not intend by this to suggest a Pollyanna view of our affairs and situation, for that would be manifestly foolish. I hope rather to emphasize the risks that beset the prophet in such fast-moving times . . . and to suggest that if the immediate past is any guide, then the prophet with a built-in bias towards pessimism can often be wrong.

But before going on with this, I want to disgress a little at the outset. Foreign exchange problems and changes in policy have recently attracted a good deal of attention and a word about them would appear to be topical.

When 1950 began, the markets of the world were still adapting themselves to the wide-spread devaluation of currencies which had taken place in September, 1949. An important step of this sort naturally has far-reaching repercussions, some favourable but some unfavourable. In the event, the adverse repercussions from these substantial changes in the United States dollar value of many currencies were not as marked as some people had feared. Under certain circumstances, devaluation on this scale might have induced a sharp fall in the United States dollar prices of many important commodities. In fact, however, the improvement in business which was taking place in the United States stimulated the demand for raw materials and various imported foodstuffs at a time when inventories had probably been allowed to run down in anticipation of devaluation, and as a result the United States dollar prices of many primary commodities were higher at the end of 1949 than before devaluation.

This strength in the United States business situation was naturally of vital importance to Canada. We had to expect that the more restrictive import policy adopted by many of our overseas customers in the summer of 1949, combined with the great increase in local currency costs of imports from Canada, would result in a very substantial curtailment of our exports to the sterling area and many other soft currency countries. If we had not been able to look forward to a considerable increase in our exports to the United States, the picture would not have been a very happy one. The hope was that such a shift in our exports would take place, and, in fact, it has done so.

At no time during the year was there an expectation that Canada would have a substantial surplus in her current account transactions with the rest of the world. It was thought possible that we might have a modest surplus, sufficient perhaps to permit some relaxation of import restrictions.

So far as capital movements were concerned, predictions were even more difficult than in the case of current account transactions—in fact predictions were impossible. But one could say that if the inward movement was limited to the probable amounts required for direct investment in branch plants, oil development and so on, it would not exceed the gross amount of capital outflow of various types which could be expected to take place, and would not therefore result in any addition to our exchange reserves.

In fact, however, as the year went on widespread anticipation of a rise in the value of the Canadian dollar developed among United States investors, and as in 1945 and 1946, they began to buy Canadian securities on a considerable scale. The Minister of Finance described the course of events in his statement of September 30th last. During June, our official reserves of gold and United States dollars increased $73 millions. July produced a somewhat similar result. In August, the inward movement was accelerated, and reserves rose by $184 millions. Finally, in September, the movement reached flood proportions and the total inflow rose to figures in excess of $335 millions. Not all of these dollars came from purchases of Canadian securities by non-residents, but such transactions accounted for a substantial portion of the increase in reserves.

While I have not delved into statistics, I doubt whether any other country has ever experienced a capital inflow of proportionate size in such a short space of time. A comparable situation for the United States would be one in which the Government was called upon to buy more than 10 billion dollars worth of gold in four months.

For Canada, this movement posed some formidable problems. It is not always realized that additions to exchange reserves require to be financed. When the Government buys United States funds from an American investor who wishes to purchase a domestic security, it must find the Canadian dollars to pay him with. During June and July the Canadian dollars required to pay for the increased gold and United States dollar holdings of the Foreign Exchange Control Board were provided from the cash resources of the Government. In August and September, as the capital inflow continued and then increased in volume, the Government found it necessary to borrow from the chartered banks, by issuance of $200 millions of Deposit Certificates, and from the Bank of Canada to the extent of nearly $300 millions by selling us exchange on a temporary basis. This financing with the Bank of Canada would have had inflationary implications if it had resulted in a large increase in the cash reserves of the chartered banks. However, we set out to prevent this happening by selling in the market part of our holdings of Government of Canada securities. Our net sales in August and September totalled more than $200 millions. Taken in conjunction with certain other changes in our position, these sales of securities prevented an increase in chartered bank reserves over the period, despite the substantial central bank financing of the Foreign Exchange Control Board to which I have referred. I need hardly add that the pressure of our selling brought short term security prices down and interest yields up. We had never before had occasion to conduct open market operations on this scale within such a short period of time.

The experience of recent months serves to remind us that from certain points of view Canada's situation is unique. If one sets aside the war debts of certain countries, it is true to say that Canada has a larger foreign debt than any other country in the world. This debt has been incurred over a long period of years, and for productive purposes—hence our ability to service it without undue strain. But the existence of the debt, a large part of which is composed of marketable securities, does mean that we are exposed to swings in foreign opinion. If non-residents, particularly residents of the United States, take a dark view of the Canadian picture, they can give effect to that view by selling some of their tremendous holdings of Canadian market issues, and withdrawing their capital from Canada unless exchange control imposes a barrier. If they are optimistic, they can increase their holdings of Canadian securities. The movement in either direction can be extremely large, in terms of Canadian magnitudes. Because of the difference in size of the countries, a disturbance which causes little more than a ripple in the United States can have the effect of a tidal wave in Canada.

In 1945-46, the frame of mind of American investors was optimistic, and a lot of capital came in. In 1947, when our exchange reserves were low, I noticed no enthusiasm for Canadian obligations in New York. Not long afterwards, as our position improved, a more optimistic attitude returned and this has strengthened ever since. These swings in opinion to which I have referred are not a recent development. My memory goes back to other waves of optimism and pessimism on the part of United States investors in the period between the First and Second World Wars. On balance, there has been in the United States a continued faith in the long-term future of Canada, particularly on the part of their investors in our natural resources and branch plants. But we have to recognize that there can be very sharp fluctuations in those investments which are purely financial in character.

Now . . . at this point I should like a call a halt to my discussion of details of Canada's special foreign exchange situation . . . and pass on to recent events in the broader international field. I ask your indulgence for going over some things which, though not "ancient" . . . are none the less "history" to all of us. But since Canada's business situation is affected by developments in the affairs of her principal customers, I think it is appropriate to review briefly the financial and foreign exchange problems which they have encountered during the post-war period.

It is true, of course, that sufficient time has not elapsed to set the major economic and financial events of these years in proper perspective. There have been so many crises in the headlines that it now requires some thought to recall them all. But I would contend that the record of progress has been extraordinarily good, all crises to the contrary notwithstanding.

You will recall that even before the end of the war plans were made which resulted in the creation of the United Nations Relief and Rehabilitation Organization, the International Bank for Reconstruction and Development, and the International Monetary Fund, each one of which was designed to play its appropriate part in the extraordinarily difficult task of post-war reconstruction and development. A further contribution of great importance was made by the large loans authorized by the United States and Canada in 1946. Then came the discovery in 1947 that the magnitude and difficulty of the task had been underestimated, partly because it had not been possible earlier on to anticipate the full effects of the Cold War in all its many aspects. The United Kingdom effort to establish convertibility of sterling had to be ended after five weeks. The threatened crisis of 1947-48 was met with the bold, imaginative project of the Marshall Plan. While its operations were of inestimable help to the recipients, it did not directly assist a number of countries in the Middle East and Asia, whose economies had been disrupted by the war and who relied on sterling to cover their urgent post-war needs. Filling these needs threw an extra burden on the United Kingdom. Through a combination of factors, of which the one just mentioned was not the least, the sterling area price level drifted from its moorings, a new foreign exchange crisis developed, and a 30 percent devaluation of sterling took place in September 1949. The most recent additions to the list of major events are, of course, the outbreak of hostilities in Korea and the commencement of a tremendous rearmament programme.

Through all these major disturbances and threats of trouble, North American business has never faltered (except briefly in the United States in 1949) and capital development has proceeded on a scale never before attained.

There have, of course, been plenty of forebodings expressed during these years. For example, there has been a rather general assumption on the part of a number of countries that they would experience a serious shortage of United States dollars for a long period of time. The dollar shortage as it manifested itself after the war arose in the main from the fact that war-shattered countries badly needed unusually large quantities of United States raw materials, foodstuffs and machinery to help in their work of reconstruction, and there was no prospect of their being able to supply tangible things in return for all they desired to obtain. The gap was filled by United States loans and gifts. In consequence, there developed a tremendous excess of exports from the United States. This was the reality of assistance which must take the form of physical things rather than money. In the peak year, 1947, the United States surplus in merchandise trade was nearly $10 billions, and that persuaded people in many countries to take the view that the elimination of this great surplus, as United States loans and gifts dwindled and disappeared, was going to be an exceptionally painful process, that it would require the maintenance and intensification of import restrictions, and that such restrictions, discriminating against the dollar area, were likely to be a necessary part of long term policy and form of protection against the overwhelming competitive capacity of the United States.

I do not want to suggest that the dollar problem has disappeared entirely or for good. No one should risk prophecies in this difficult and uncertain field. But the fact is that the United States surplus with the rest of the world has dropped very sharply to the point where her current account transactions must now be close to a balance. It is true that overseas countries still have severe import restrictions against dollar goods. Indeed these restrictions were intensified in the summer of 1949 and there has been no appreciable relaxation as yet. But there is no doubt that devaluation, by raising the cost of dollar imports, took some of the pressure of these controls, and lessened the need for them. In any case, with or without controls, the overseas world is now approximately in balance with the United States. That is a result which, twelve months ago, few would have dreamed was possible so soon, and this great change has taken place without serious economic disturbance to the rest of the world. That is Outstanding Fact No. 1.

For Outstanding Fact No. 2 I turn to Canada. It was a normal experience for us to have a deficit in our transactions with the United States, and a surplus in our dealings with the sterling area and Western Europe. In the early post-war period, this so-called normal distribution of our trade was exaggerated in degree by the circumstances and financial arrangements of the time. In 1947 the peak was reached with a deficit of $1,135 millions with the United States and a surplus of $1,155 millions with the sterling area and a group of Western European countries. This year it seems likely that our current account deficit with the United States will be about $200 millions, and that our surplus with the sterling area and Western Europe will not more than offset this deficit.

There are, of course, a number of Canadian commodities whose traditional markets are still to be found in the sterling area and Western Europe. I hope that as the years go on the countries concerned will be able to earn enough Canadian dollars to remain good customers, and become even better customers, of Canada. This year, for example, the sterling area will probably earn $600 millions in their trade with Canada. That is no small sum, and represents an increase of $250 millions since 1947. While it would be rash to assume that the future is all plain sailing, or that we shall never be plagued by United States dollar shortages on the one hand and embarrassing curtailment of our overseas exports on the other, it can be said that the extreme fears which were so commonly expressed a year or so ago have not yet been justified. For this, we have to thank in large measure the high level of United States business, and the energy and initiative of our people.

I have a reason for speaking about these things. They illustrate what great changes can take place in world trade and finance without causing painful disruptions so long as a high level of activity is maintained, particularly in that vast country to the south of us. I am sure that European thinking has been influenced by a fear that, sooner or later, the United States would experience a severe depression and high unemployment. Certainly the Russians have not failed to encourage fear by hammering away at the thesis that the capitalistic economy of the United States is one of boom or bust.

Now no one, least of all the United States, can give binding and effective guarantees in regard to the course of United States business through the years. One can readily understand, too, why fear of wide fluctuations in United States activity should have developed during the thirties and left its legacy in the forties and fifties. But I think it is time now to re-examine thoughts and emotions on this subject. Policies based even in part on fear of deep depression are not justified by the facts of the post-war world, nor do I think they are really consistent with certain other policies such as those for mutual defence and economic co-operation as exemplified in the Atlantic Pact.

There is, of course, another factor in the situation, and that is the feeling in many countries that they lack the capital resources, and in some cases the "know how", to compete on even terms with the highly organized United States. Some may feel that trade restrictions must be continued until the countries concerned can catch up with the United States. It may well be the case, however, that wide-spread trade restrictions are a barrier to efficiency and to the type of development which would assist in the catching up process.

It is clearly not possible to dismiss these various fears with a wave of the hand, nor to suggest that all forms of trade restriction and discrimination can be eliminated overnight. But it does seem to me that the first steps in that direction might now be taken, and that it is time to have a fresh look at policies which have been based on the assumption that an extreme and stubbornly enduring dollar shortage was an unavoidable feature of the post-war world. I make no apologies for dwelling on these matters before a Canadian audience. Canadians have a deep, practical interest in this subject, as well as a philosophical one; and through the post-war years Canada has consistently supported various international organizations whose objective has been the eventual restoration of world trade to a multilateral and non-discriminatory form.

Earlier in my remarks I expressed rather cheerful views about Canada's progress in recent years. One of the major factors easing the problems of this post-war period has been the great scale of capital development going on, both here and in the United States. But quite apart from this effect, I thing we have cause to be very thankful that North America has added so much to its capital equipment in the last five years. Not all of the things which have been done were essential from the point of view of strengthening the fundamental position of the economy, but a very great deal has been done of a character which will help us in the testing times which lie ahead.

The post-war period had its unsatisfactory aspects, not least of which has been the world-wide decline in the purchasing power of money, resulting from a combination of wartime developments and the distortions produced by the subsequent Cold War. The destruction of real wealth overseas, the accumulation everywhere of long deferred capital needs and posponed desires of consumers for goods, and the huge volume of liquid assets accumulated by consumers and businesses as a result of the large scale deficit financing of the war years, gave rise at the war's end to an unprecedentedly large demand for everything that could be produced, and urgent demands that could not be filled elsewhere had to be met out of North America's supply. If the present Cold War had not followed so closely on the heels of World War II, recovery abroad would have been quicker and less dependent on North America. Individuals and businesses who wished to use their accumulated liquid assets to make deferred expenditures would have experienced less competition in bidding for the resources they wanted. However, there is no way of telling now what the price level would have been if real peace had been achieved. Post-war fiscal and monetary policy have, of course, been directed towards lessening the impact of the liquid assets created during the war and in Canada budgetary surpluses contributed to this objective.

By the end of 1949 it seemed that the western world at least had worked its way through to a fair measure of recovery and stability. To-day the need for a large re-armament programme, made evident by events in Korea but far transcending the particular requirements of the Korean War, seems to threaten to upset the degree of stability which had been achieved. In every country, the problem of maintaining the purchasing power of currencies is again causing concern as re-armament expenditures on a large scale are being undertaken or discussed. I saw evidences of that concern on the part of many countries at the recent meeting of the International Bank and Monetary Fund in Paris. No one is fortunate enough to possess a blueprint of the course of events, but I think that the very likely recognition of the dangers of the situation which exists all around the world is a good thing, provided it leads to appropriate action and provided that the fear element is not overstressed.

It has to be assumed—or so I should suppose—that the re-armament and defence problem is going to form part of the life of the free countries of the world for a long time to come. In the economic field, that calls for policies whose effect is likely to endure, rather than for stop-gap methods. Above all, it calls for pay as you go financing, and for maximum productivity. The task is by no means impossible, if the requisite understanding and determination are forthcoming.

It is sometimes too readily assumed that large scale defence spending, by its mere existence, automatically means inflation, but if an increase in defence spending is matched by a decrease in other spending—private as well as governmental, and spending for consumption as well as business spending—there need be no fundamental domestic reason for an upward pressure on prices generally. It would still be possible for consumers and businesses, under the mistaken impression that the experience of the last war was going to be repeated, to rush out and try to spend a larger than normal proportion of their incomes. Specific credit controls and a strong monetary policy are appropriate and necessary weapons of self-defence for the community against such actions. But the fundamental policy clearly must be the fiscal one of reducing spendable incomes, by increased taxes, to the extent that the available supply of goods is being reduced by the demands of the defence programme. And so long as re-armament expenditures go on increasing, I believe that Government revenues should anticipate the future level of requirements rather than merely try to keep pace with current requirements. Anticipations of future developments might induce larger current spending by various groups, if not offset by larger current discouragement of such spending.

And so may I close by emphasizing once more that the task before us, though unpleasant, is a manageable one. That is not to say that the problems involved can be met in any easy way, or by the exercise of any financial sleight of hand. The situation calls for a number of dull things—things which we may have got tired of hearing about time and again during the last war, but which are none the less essential if we and our partners in the free world are to win through.

The North American partners—one large, one relatively small—possess between them great resources and productive capacity. Their performance in the last war, and the record of growth and abounding vitality in the post-war years, support that statement. If to all these advantages there can be added an understanding of the price to be paid, and a determination to pay it now for the sake of the future, these countries should certainly be able to handle the job of defence production and finance in a workmanlike manner, and by so doing contribute greatly to world stability and peace.

VOTE OF THANKS, moved by the President of The Canadian Club of Toronto, Mr. R. F. Chisholm.

"BRITAIN VERSUS EUROPE
The Schuman Plan and German Revival"

An Address by

LIONEL GELBER, B.A., (Tor.) B.Litt. (Oxon).
Lecturer on International Affairs

Thursday, November 16th, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by Mr. Lionel Gelber, who has been described by *The New York Times* as a well-trained, hard-thinking Canadian. Born in Toronto Mr. Gelber attended Upper Canada College, continuing his studies in History at University College in the University of Toronto. Upon graduation he was awarded the Maurice Cody Scholarship in Modern History, and the most prized award of all—a Rhodes Scholarship. He then attended Balliol College, Oxford, where he received his Bachelor of Letters Degree. Leaving Oxford Mr. Gelber remained in England to write his first book, "The Rise of Anglo-American Friendship", published in 1938 by The Oxford University Press. He then returned to Canada where he taught International Relations at the University of Toronto, and worked on his second book, "Peace by Power", also published by The Oxford Press, just at the begining of the War. Of this book *The London Spectator* said: "Mr. Gelber can rightly claim credit as a Prophet", and *The New York Times* added: "If this book is neglected it will be a misfortune". Mr. Gelber served with the Royal Canadian Air Force and, following the war, was engaged in practical diplomacy within the sphere of the United Nations with his headquarters in New York. Mr. Gelber's third book, which has just been published by The Macmillan Company, is entitled "Reprieve from War—a Manual for Realists". Of this, one prominent reviewer has said: "His book might well have been written after rather than before the Korean fighting for it is specifically applicable to the problem we now face all around the Communist perimeter". Mr. Lionel Gelber is a student, Historian, and Author, and I dare to admit with lack of modesty, and even before hearing his address, my own first Cousin.

MR. GELBER: Would the unity of Europe add to the unity of the West or detract from it? To answer that question is not as easy as we might at first imagine. For there are all kinds of unity, some good, some bad. The free world has been unanimous in welcoming a political experiment such as the Council of Europe; the impetus given to European economic co-operation by the European Recovery Programme; the common action in defence which the Atlantic Alliance envisages. Yet British diffidence towards the Schuman Plan indicates that a semi-continental unity which is overdone may serve only to undo the wider unity of the Atlantic region.

Nor is that all. For Europeans themselves have toyed with ideas of neutrality and a Third Force; with the illusion of a Europe united to save itself from East-West conflict by shunning either camp. A division of the West, just when it seeks strength through unity, may not be what they want. But the stress thus laid on a separate European unity contains within itself the seeds of Atlantic disunity. And it is from such a standpoint that Mr. Schuman's project, giving flesh and bone to Third Force notions, should be examined. Discussion of the French-German coal-steel pool has, at any rate, made evident a profound divergence of opinion over how a pivotal segment of the free world should be organized. And while much of the debate revolved around the place of Germany in the economy of the West, it bore no less upon Britain's world status. To evaluate the project as a whole we must therefore scan the part played by these two Powers.

Which would be better for the West—a European union of which a Franco-German industrial combine is the economic core or a perpetuation of that Atlantic partnership which was twice an agent of victory and whose role is not yet finished? For we cannot have both; it must be the one or the other. The recalcitrance of the British, when the Schuman Plan was announced, drew more fire from the United States than from France herself; without promptings from Washington the French might never have subjected the Entente to so unexpected a strain. Franco-British disaccord over the Schuman Plan was thus, at bottom, an Anglo-American quarrel. Yet the friendship of the English-speaking peoples, with their many household rifts, is tested and tried. A Franco-German industrial pool, to absorb the impact of a German paramountcy which postwar Allied policy itself has fostered, would be a gamble of hope against experience.

How is it that the United States was eager, so soon after VE Day, to take that risk? Americans bicker over where they went amiss in East Asia. But that they have demonstrated less foresight in rebuilding Western Germany is nowhere a very popular thesis. Opposition and Administration assail each other about trouble in the Far East, where there was no bipartisan foreign policy; in Europe the bipartisan policy has produced over the German problem a large measure of agreement. Yet that also did harm. Elsewhere in Europe even bipartisanship has been no honeymoon. But Germany, the quarter where it was least justified, is the one where it has been most pronounced.

Little Americanism on the Taft model had, in the national interest and for the sake of world order, to be circumvented. But when an intelligent Opposition is lacking, the processes of representative government will be devoid of an essential corrective. For to combat isolationism was not to swallow holus-bolus each individual postwar phase of its participationist converse. And most issues the Congress did scrutinize with its legislative microscope. At Germany, however, it seemed to look through a telescope held, as it were, at the wrong end.

In the light of East-West antagonism an intelligent Opposition would, for example, have supported the European Recovery Programme, the North Atlantic Security Pact and mutual arms assistance. But without the most searching consideration of all possible consequences, the favourable together with the unfavourable, there would have been no blank cheque for a precipitate German rebirth nor for schemes of European union, through which a resurgent Germanism is to be curbed and held. Bismarck had brought together the various sections of the modern warrior Reich. To maintain peace, its break-up and regrouping was, with the assent of Generalissimo Stalin and the more hesitant British, championed during the war by President Franklin D. Roosevelt himself. This cardinal fact was, however, not divulged at Potsdam but only in postwar memoirs when the German revivalists of Washington and Frankfort were in full cry.

For let us not delude ourselves. Incompatibility between controlled and uncontrolled economies was not the only reason for British rejection of the Schuman Plan; on it a non-Socialist Government would also have had to turn thumbs down. Not that the Paris-Bonn project—blessed, presumably, from Washington sight unseen—is in every respect one calculated to liberalize international trade; from it all cartel features would first have to be eliminated. Nor have Labour Ministers always slowed up the free enchange of money and goods; to the European Payments Union, which the United States herself inspired, they have now acceded. Yet the Schuman Plan, as originally enunciated, went far beyond that sort of limited economic unity; only as the industrial heart of a wholly federalized Western Europe can the coal-steel pool accomplish its Franco-German purpose. And a Europe so organized, with its supra-national authority over the entire national life of its constituents, the British could never enter. For what fundamentally Britain has had at stake is her historic position as a Great Power—not the structure of a society but the society in itself.

East-West differences are more than ideological. So, too, this Atlantic dispute over the organization of Europe goes deeper than any ideological feud between the rival doctrines of socialism and capitalism. After World War I the French statesman, Aristide Briand, suggested a United States of Europe; after World War II, another French statesman, Robert Schuman, brings forward an economic plan which is the first concrete step towards the fulfilment of his predecessor's famous aspiration. But before the first step is taken we ought to foresee where the second and third will lead. There can be no West European federation whose independent components do not merge their national sovereignty into a larger, semi-continental sovereignty. Each subordinate member-State must therefore divest itself of any exterior connections it may have; the British, the French, the Belgian, the Dutch, the Portuguese colonial dependencies can belong only to a European federal union or to the United Nations as a whole. Nor as part of a European sovereignty would there be any way for a federated Britain to retain her unique association with other sovereign countries of the Commonwealth or they with her. A Schumanized or federalized Europe may well rend the Commonwealth asunder. Yet such affiliations were an inestimable boon when, not long ago, all else seemed lost; when, as Britain resisted the German fury for an entire year alone,, she did much to preserve our free world order. And they are still a mainstay of her stature as a Great Power.

That Britain will continue as a Great Power is, moreover, what the Atlantic Alliance presupposes. Yet to carry on effectually she must, as always, be an oceanic as well as a European Power. And to insist that she be the one or the other rather than both is for her Atlantic allies to impair their own pact. We cannot will the end, which is British strength in the defence of the West, and not will the means. Britain, through her gallant wartime exertions, forfeited much of her world rank. But her comeback is also impressive. It would be folly to hamper the power of our most reliable transatlantic ally while sponsoring again that Germanic power which has recurrently been so evil.

Canada, too, is an important member of the Atlantic Alliance, and other non-Asian countries of the Commonwealth will range themselves alongside it. Yet if Britain were to fuse her national sovereignty with an over-riding

European federal sovereignty, her preferential trade with the Commonwealth, Occidental and Oriental, would have to be abandoned. Commonwealth countries overseas contributed heavily to the world slump of the thirties; unless a federal Europe can provide some adequate trade substitute for Anglo-Commonwealth tariff preferences, we might witness the same cycle again. And if we do, the repercussions within the United States herself would be serious. She has larger investments in Canada than in any other foreign country; whatever is done, with American sympathy, in Europe should not be to the detriment of American interests elsewhere. There is, moreover, the service Britain renders world trade as banker of the sterling *bloc*—one which the United States herself will not or cannot take over. For global is as global does and to unify Western Europe at the expense of other, interrelated associations—Entente, Commonwealth, Anglo-American—may be to hinder and contract rather than facilitate and expand the unity of the West.

The bases of British power are Atlantic and world-wide. Continentalism may be no more a solution in Europe now than, for a century and a half, it was in North America. The gods on Olympus might laugh when American isolationists, past and present, chide as isolationist British efforts to reconcile European and overseas commitments. Never again will Britain be as strong as she was. But as a matter of enlightened self-interest we ourselves should want her to be as strong as she can be. When her power is misused we have a right and a duty to protest. Yet that right and that duty are in themselves a tribute to what is still a great world role. And Moscow knows this even when Washington forgets.

Why have the French, ever suspicious of Germany, adopted a contrary policy which assumes German good faith? The economic recovery and military security of France depend, as never before, on the firm support of the United States. Paris concluded no doubt that it had more to lose by holding out against Washington than, as the Americans wished, by embracing Bonn. And so we get the spectacle of the French, bled white in the first world war, and knocked out in the second, assuring us that by some mysterious federal alchemy they have discovered overnight how to transmute the base metal of a reviving German nationalism into genuine pan-European gold. Nor is it only the dread Teutonic spectre across the Rhine which they have feared; the real danger is that when fully resurrected it might consort with a still more ominous one across the Elbe. West European union to prevent a Russo-German re-union—such was the motive which, under American pressure, goaded the French into their dramatic *volte face*. For theirs is a striking exemplification of the classic theory that if you can't lick em, join 'em.

Yet a Europe which is Schumanized or federalized must embarrass them both. Long champions of European unity, the French would never previously have resigned themselves to a semi-continental scheme in which, with the British absent, the Germans are bound eventually to be dominant. And even for the French, in their conciliatory new mood, Mr. Acheson went too far or too fast when, in the autumn of 1950, he urged a substantial rearmament of West Germany. The Council of Europe, as it exists, reposes on national sovereignty; it is therefore a form of political cohesion which is less tightly knit than a federal one would be. And unless it feels it can get on without British adherence, it will have to keep itself in that looser state.

Europe's need of military and economic unity is clear. But politically its outright federalization would be a leap in the dark. Against Eastern tyranny, the strength of Britain has, in two German wars, been a cornerstone of Western freedom. Do we throw over a sure thing for so unsure an experiment? Europe in combination with Britain can achieve a measure of workable unity; without her the genuinely democratic elements in a federal union would be weaker than before. The Germans will strive to extract from any federalizing project such as the Schuman Plan the maximum development of German steel—that bedrock of military power and diplomatic independence. And this might be a disaster if only from an economic point of view. For Britain may not then be able to compete. And if her heavy industry is thus handicapped, we shall have done more than retard a recovery on which we ourselves have spent a lot. The security of our Atlantic world will be in a worse rather than better shape than it was.

In East Asia, too, the maximum development of German steel might have consequences we shall yet regret. For the German steelmasters, in accordance with the strategic traditions of the German Reich, may, with their steel surplus, turn to those vast Sino-Soviet markets which Moscow alone can offer. Over the menace of a Communized Asia we are all apprehensive. Yet it is with the resources of the Ruhr-Rhineland complex that the Sino-Soviet power can, in its own image, best industrialize the Far East. Responsibility for the setback to American policy in Asia may be a topic of bitter debate. But if Sino-Soviet rule is fortified there with the aid of German heavy industry, the blame will be less difficult to apportion. A bipartisan American policy which reunified and rehabilitated the West German Republic may prove more self-defeating in distant Asia than anything done or left undone by the United States on the spot.

But if all the foregoing objections could be waved aside, there is still no reason to believe that the defense of the West itself would be improved by the sort of federal unity which the Schuman Plan prefigures. To establish a Third Force, to be neutral between the contending giants of Russia and America, is the desire of many Europeans. A United States of Europe, as its French and German proponents realize, would be the means of attaining that continental goal. And it is one that the Kremlin must welcome. For this would hamstring the Atlantic Alliance; the West being divided, the East might conquer.

To assess the defensive value of a federalized, Schumanized or Third Force Europe, we shall have to spell out its strategic implications. Pacifism was discredited by Axis aggression. Our uneasy atomic truce has, however, reawakened it. Could Europe, by disentangling herself from both East and West, by setting herself apart from the Atlantic Alliance, now purchase physical immunity. A neutral Third Force, rather than face the horrors of an atomic onslaught, might even prefer to surrender its liberty to a Soviet invader. But no such choice would be open to it. On its own soil, Third Force Europe, so far from debarring hostilities by others, must, by undermining our common Atlantic front, bring them nearer.

By what factors of power, then, is Europe's peace maintained? The Mutual Defense Assistance Programme has been devised to bolster up Western Europe. Acting on their own, our Atlantic allies on the European continent could not ward off a Russian attack for long; together with us there is much that they may do. Between Hitler and Stalin the balance of power has, in a strictly European sense, been demolished. But what keeps the East at bay is a world balance of which the Atlantic Alliance is the operational centre. And to this new larger, world balance a free renascent Europe must contribute—something which its neutral Third Force status would forbid. The strength that Western Europe alone can muster may be no barrier to a Soviet advance though a stouter local defense by the Atlantic allies — European and American — is now being prepared. What counts is that aggression in Western Europe will evoke the ultimately preponderant power of the entire West. But if a Third Force derogates from such power, if it diminishes thereby our joint ability to resist, aggression itself is more likely to occur.

Underpinned by a Franco-German industrial union, a European federation might thus plan for prosperity at the cost of security. Today the safety of Western Europe rests on transatlantic rather than continental power; and that transatlantic power Western Europe may supplement but could never do without. What this means our occupation armies in Germany illustrate. Assigned to impose a victor's writ, they have been discharging another, even bigger task. Once the Russian juggernaut rolls on toward the Rhine, they could not halt it. But to sweep away our occupation armies would be instantaneously to summon up on land, at sea and in the air that world balance, headed by the United States, through which an irretrievable balance of European power is slowly being replaced.

Asia is still too backward to be, in any world contest, the main zone of decision. Between Western Europe and the Russian sphere, the line is drawn by our occupation armies. Behind them in turn begins that screen of defense, meagre in actuality, massive in potentiality, which the atom bomb and American strategic air power represent; a screen of defence which permits the Atlantic allies in both Western Europe and North America itself to rearm unmolested. Peace by retaliation may not be the peace for which we long and pray. But if a federalized or Schumanized Third Force Europe stays aloof that would deprive us not only of human and strategic assets; it would rob Atlantic power of immediate, land-based, air access to some of the vitals of Russian power. To reduce a countervailing threat of air or air-atomic reprisal from the West is to make still more precarious our truce with the East. A prescription for peace, neutrality is an invitation to war. And if war does come, neutrality will not be worth much. For to neutralize by sectors is not to stabilize so universal a crisis; all that you might do is render an unstable situation still more unstable. Neutrality without power will not avert the use of power but so used it will be power without liberty and not the power of the free.

Voices in the West, such as Mr. Walter Lippmann's, which called for the withdrawal from Germany of our occupation armies, have, since the Korean struggle burst forth, grown silent. Yet at no time during the East-West cleavage would the evacuation of Allied troops have been wise. It is on their withdrawal, nevertheless, that a European Third Force must be predicated: you cannot have the protection of one side while claiming to be neutral toward both. And in any case as West Germans, under either Atlantic or pan-European auspices, cast off other Allied servitudes, their rising nationalism would find occupation armies hardest of all to stomach.

For the moment cross-currents are stronger than the stream itself. German opinion is torn between the sentiment of neutrality and the demand, which Societ aggression in Korea has aroused, that, to repel an invader from the East, the occupying forces of the West be increased. Trying to make the best of both worlds, a federalized or Schumanized Europe might even want to maintain a close liaison with our Atlantic system. But it must always be remembered that Western Germany has her eastward irredenta; only in collaboration with Moscow can she repossess land and brethren now in its grip. Neutrality, as the fetters of the vanquished are broken, would thus simply reflect a transitional stage. And meanwhile, until a recrudescent Bonn Republic is ready, it pays her to be aligned with the West rather than the East; Allied occupation armies shelter her for the interim from the sort of treatment which satellite kinsmen inflicted on the South Koreans. Reunion with other Germans more than union with other Europeans is, nevertheless, likely in the long run to be her goal.

And as we pull the Bonn Republic towards the West, we equip her to spring back to the East. In the administrative procedures of a coal-steel pool or a federal Europe there is nothing irrevocable. Beyond recall, however, is the industrial productivity which these would release and abet. For the more we restore the permanent, material foundations of German power—whether it be under a European Recovery Programme, an Atlantic rearmament scheme or a Schuman federal plan—the more we redress the inequality of Western Germany in the eyes of Moscow itself. And the more the Bonn Republic thus acquires a freedom of manoeuvre, the less improbable is it that any Schuman Plan or federal project can, when the hour strikes, be altered, misused or reversed. Whatever raises the steel output of Western Germany must add to her bargaining strength. For in the zoology of politics there is nothing to prove that by unchaining a leopard you can change its spots.

Acclaiming the Schuman Plan as the harbinger of a Third Force, Chancellor Adenauer let the cat out of the bag almost at once. And while he must vanish from the scene, those twin immortals, his Nazi steel advisers and the Ruhr steel barons, go on forever. To regain a national Germanic sovereignty and at the same time to espouse a federal European sovereignity are for them but two avenues to the same destination. For the Schuman Plan would not only prefigure a Third Force; within it may be the makings of a tug-of-war for Western Europe between our Atlantic world and that Slavonic or Teuto-Slavonic world whose advent we ourselves will have quickened.

Americans are all for a Schumanized or federalized Europe and critical of Britain for dragging her feet. Eventually, however, the United States herself will be reluctant to rebuild economically and underwrite militarily a Third Force Europe whose detached stance must augment the very hazards a more integrated Atlantic defense may yet dispel. To the sort of European unity which the British now decline, Americans also later on might object. For the world contest is not one solely between Russia and the United States from which others can disengage themselves politically at will: isolation everywhere is obsolete.

Perfect confidence in each other is more than the best of Allies can expect. But distrust of Germany among the Atlantic peoples is in a class by itself; it is not with her but against her that, on the anvil of time, our unity has twice had to be forged. And if, in spite of such deep-rooted distrust, the Bonn Republic is admitted one day into the Atlantic Alliance, the West may have cut the ground from under its own feet. For as a treaty signatory, West Germany's full rearmament would be entailed; and though she rearms with us now, she might subsequently rearm against us. What the Korean episode conveys is not the wisdom of allowing the Bonn Republic to fend for itself but the error of premature evacuation from an infinitely more important salient. If South Koreans were strategically too feeble to be left on their own, the resurgent Germans are politically too fickle.

Western Europe, unified on a federalized or Schumanized model, may, under present world circumstances, think twice about any lone, neutral *tour de valse*. Yet neither is the alternative to such a solo performance one to cheer about. A unified Europe which opts for the West means the entry of the Bonn Republic into the Atlantic Alliance. For by its very nature as a single federal entity that unified

Europe would, in defense matters, have to proceed as one; unless it were to repudiate its own integral unity, a semi-continental union could not be half in and half out of a major coalition. During the East-West crisis the character of our occupation of Western Germany might be wholly transformed; it can jettison the maintenance of victory over Germany as its objective and devote itself to the defence of the West—and of Germany against the East. But that would be with German consent. The Bonn Republic will, however, only consent to equal partnership in a European federation when each of the federated partners are treated as equals in all its relationships. To admit Western Germany to our inmost Atlantic councils may, on the record of a century and by every sound forecast, suddenly have become a policy of prudence. But I, for one, doubt it.

British rejection of the Schuman Plan is thus not a blow at the unity of the West but a reminder of the solid political substratum on which it should rest. The Atlantic Alliance was, in the French view, aimed against the Germans as much as against the Russians. The Schuman Plan signalizes more than a decrease in Gallic targets; in making our top military dispositions, it would take for granted the identity of Germans with the West. Yet East-West peace is kept by a world and not a European balance; it is a German revival which, more than anything elese, may tip the scales from West to East rather than from East to West. And to make the defense of the West hinge upon German rearmament is to misconceive the dimensions of the problem. Our Atlantic could well be safer when Allied arms on the continent are stronger. But it is through the total power of the West, and not through its European segment, that peace has been and will be maintained. And if German arms, as a buttress of that segment, are untrustworthy, the greater the restrictions up them, the more secure we shall be.

The Schuman Plan coincides, nevertheless, with an Allied change of heart towards German rearmament. Local West German police may be necessary to counter the East German people's army; to mobilize German personnel in the general defence of Europe might, when other Atlantic priorities have been filled, ultimately be feasible. And if German heavy industry must be set going full blast it is better that, as long as possible, it serve the West and not the East.

But we live in a fool's paradise if we pretend that some federalizing or Schumanizing paper device, as fashioned in Paris and Bonn, can disguise indefinitely the iron realities. Through the uncontrollable power of a large German State, reindustrialized and politically equalized, we may yet undo with one hand what we do with the other.

How, then, should the West be consolidated? To plan in semi-continental rather than Atlantic or oceanic terms may be to narrow and not broaden its scope. Twice already in the twentieth century Western Europe has been united—most of it under William II and virtually all of it under Adolph Hitler. Federalized or Schumanized as a single politico-economic unit, its fate—and ours—will be determined by a central Germanic dynamism. Yet if it avoids intimate organic ties, it can function with less apparent logic but with more underlying regard for its own freedom and our common heritage. Atlantic unity, with bonds as loose as we have them, as tight as may be practicable, is a safer bet than European union. For only in that manner can each major portion of an interdependent West fully pull its weight.

VOTE OF THANKS, moved by M. W. Wallace, Principal Emeritus of University College, University of Toronto.

"INDIA TODAY"

An Address by

GEORGE V. FERGUSON, B.A. (Oxon).
Editor-in-Chief, Montreal "Star"

Thursday, November 23, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an Address to-day by Mr. George V. Ferguson, Editor-in-Chief of the *Montreal Daily Star* which, according to its letterhead, is Canada's Greatest Newspaper. Mr. Ferguson was born in Scotland moving out to the Province of Alberta at an early age. He attended the University of Alberta where he won a Rhodes Scholarship and proceeded to Oxford University to obtain his Bachelor of Arts Degree. He interrupted his studies at Oxford during the First War to serve with the First Canadian Mounted Rifles. In 1925 he returned to Canada to join the staff of the *Winnipeg Free Press.* And from 1934 to 1946 he was Managing Editor of that great Liberal newspaper. From 1946 until the present time he has been Editor-in-Chief of the *Montreal Daily Star*. Mr. Ferguson was a delegate to the Institute of Pacific Relations Conference just concluded at Lucknow, India, and he is going to speak to us on the subject: "India To-Day".

MR. FERGUSON: It is permissible, so the experts say, to talk about India only if you have been there for ten years—or ten days. My own experience falls into the latter category and I confess to a strong sense of apprehension that the experts are at least half wrong. Ten days seem hardly enough, particularly as I noted during those ten days—wait, let me do myself full justice, it was 14 days—that some of my fellow experts in the ten-day field were getting impressions and ideas quite different from those I was getting. We all felt, I think, very like a group of blind men and the elephant, each one describing the elephant only in terms of whether he was touching its tusk, trunk or tail.

Be that as it may, however, I will tell you briefly what my ten-day credentials are. Most of my time was spent at Lucknow at a purely unofficial conference attended by men and women from all over the Pacific area. The rest of it, was spent in the capital, New Delhi, talking endlessly to cabinet ministers, government servants and newspapermen, together with a bit of informal cruising about with a single companion, talking to anyone who would talk to us. And because the Indian is an infinitely patient and courteous person, this added up to quite a number. I have, in a long life of confusion, never been quite so confused before; and never before quite so appalled by the exigencies of a profession which demands that, as soon as one sets foot in a new country, one begins to write about it.

What makes it possible to do so much in so few days is, of course, largely due to the prior existence of British rule. English is still, and for some years yet, will remain the *lingua franca* of India. This will not always be so, for in 15 years or so the official language becomes Hindi, whose script is unintelligible to western eyes. But today every public man, every public official, is bi-lingual; and the English-speaking visitor profits thereby. In addition it is a fact that the British are still heartily and warmly welcome in India; and this applies perhaps with even greater force to citizens, like ourselves, of Commonwealth countries. One would have thought that the British would remain the symbol of India's ancient conquest. Hardly a man in India's public life but has spent some years in jail, put there by the British, and, at one newspaper party I attended, one editor I was talking to almost apologized for not having been in prison. All the other guests had been there, but he had been ordered to stay out and keep the paper running, and he felt as if he had been cheated out of the Military Cross.

But today in India the British are looked on as old and trusted friends who understand the people and their ways, and there is an astonishing lack of any tradition of bitterness. This is partly because India is full of praise for the clean-cut and complete manner in which the British finally laid down the reins of power and got out. It is partly—and this is less flattering—because in the world of today India believes the British no longer capable of exercising imperialistic sway. The deep-seated fears and suspicions of India on the subject of imperialism are now heaped, not on the British, but on American shoulders. I will talk more about that later on.

Meanwhile the new India has wiped out all the old social discriminations which its conquerors traditionally imposed upon them, and has not replaced them with new discriminations of their own. There is no xenophobia, and this, it seems to me, is one of the valuable elements in the Indian tradition, the fruit of their age-old devotion to Hinduism. That religion has done much which retards the prospect of rapid material progress in India, but it is, of all the world's great religions, the most completely tolerant. It has it militant sects, to be sure. But the Hindu has a deep respect for fundamental individualist values. It is true that he respects even the snake that bites him to death, but he respects also his fellowmen and assumes both political and social obligations toward them. They may not be democrats in the full sense of that word. But if democracy is based upon human values, if it sets the state in subordination to the individual, it meets, in those respects, the mind and spirit of the Hindu.

Politically the India of 1950 is the creation of western political thinking and jurisprudence; and this is, I believe, the aspect of British rule in which Britain can take most permanent pride. The record is not all good. There are black spots in it but Britain has left a permanent mark for good upon its one-time possession. In the first place, they were India's first conquerors to unify the country completely, thus making for the first time possible the dream of Indian thinkers for the last three thousand years. In the next place, the British created in India, again for the first time in its history, the reign of law and equality before it. Next it opened to Indian minds, again for the first time, the whole literature of political freedom. Thomas Babington Macaulay's memorandum of education was in some respects ill-adapted to India needs. But its typically western insistence upon freedom opened the doors which in due course made India's own demands for independence inevitable. Lastly, it was British scholars who re-awakened among the Indians themselves interest and research into the treasures of Hindu art and culture; and thus helped to re-awaken a sense of pride and glory among a race which has been long in political servitude.

When you go to India today you find nothing more glorious to look at than the great palaces and mosques built by the Moghul emperors like Akbar the Great and the Shah Jihan, both themselves conquerors of India. But the legacies left to India by the British are more enduring. Their physical memorials are utilitarian. The railway network is theirs, the dams and irrigation canals. These, even by moonlight, do not surpass the Taj Mahal. But literacy, political freedom and the art of government are not a heritage to be despised, and these were the things left behind by Britain when they went away. They perhaps help to explain the lack of bitterness among the Indians who now rule themselves.

In 1947, when independence came, there was in India a general feeling that the main battles had been won. There was exhilaration and joy everywhere in the land. What was for the moment forgotten was that the immemorial problems of India still remained to be faced. Today, after three years of it, the mood is one of deadly seriousness and fatigue. Freedom of itself did not bring bread. The food production of India today is no greater than it was in 1938, yet there are 15,000,000 more mouths to feed: and today 130,000,000 men and women are on a daily 12 oz. ration of food—12 ounces, 1,500 calories, a diet, that is to say, of bare subsistence, below which actual starvation sets in. This has not been the Indian fault. The life-giving monsoons have been poor. But it is natural that many Indians should be asking their government where the bright promises of freedom have vanished to. This, then, is the basic, age-old problem of India asserting itself—that of hunger.

It is, of course, vastly complicated by the communal dispute between Hindu and Muslim. Part of the price paid for freedom was partition,—partition of a sub-continent which had only been completely unified a century or so before. Now, here in Canada, we know a good deal about economic consequences of the division of a continent. A good deal of our history and that of the United States has revovlved around the problem of how best to develop the resources of a continent which has been split in half by politics. The relations between India and Pakistan, unhappily, have yet to develop any major plan of co-operation. Four major disputes bedevil the sub-continent. What gives ground for hope is the amazing fact that the disputes have already cost something like a million lives in bitter and terrible border massacres, yet war has not broken out. I know no other part of the world that has endured such a test without the creation of eternal wars and bitterness. Yet both parties to these disputes, the leaders of India and Pakistan, are obviously prepared to continue the search for a settlement; and, indeed, when the massacres themselves were at their height, the premiers of both Pakistan and India toured the blood-stained areas together and implored their peoples to stop the slaughter.

Meanwhile, so far as India is concerned, it is spending more on defence than was spent by a united India before the war—between 40 and 50 per cent of its total budget—and this goes some way to explain the reluctance of Prime Minister Nehru to accept more external commitments than he already has on his hands now. It is, however, a lamentable thing to see these two young countries, artificially divided, in so great a state of deadlock. The great jute trade, the greatest single earner of dollars between Karachi and Tokyo, is at a standstill. Vital irrigation projects are halted because the rivers, rising in Kashmir, flow through one or other of the countries on their way to the sea, and neither India nor Parkistan trusts the other any more than Canada trusted Chicago when that great city's drainage canal was lowering the levels of the Great Lakes. Both countries, because of partial economic paralysis and because of their defence programmes are drawing heavily on the big sterling balances they accumulated in London during the war, not for invaluable and necessary capital expenditures but for current expenses, and for the resettlement of ten million miserable refugees driven from their homes when Muslim and Hindu were at each other's throats.

This is the black side of the picture. There are other, better and more cheerful aspects of it. The foreign delegates who went to the Lucknow conference all had one question in the front of their minds, as there is only one big question in ours. "The cold war is under way. Whose side are you on?" The answer given by India was complex, for it is not a simple country with simple answers. India, for instance, has a great, though very objective admiration for the achievements of the Soviet Union. It is indeed, as one Indian delegate remarked, the last stronghold of "The Soviet Myth". The Indians regard Russia as a poor country, like India, as opposed to what seems like the incredible wealth of North America and western Europe. The Soviet Union represents to Indian eyes a nation which, by its own unaided efforts, pulled itself out of abject poverty and is on its way to higher standards of living. So far as I could tell, the Indians were not particularly interested in socialization as a theory. Nor were they particularly attracted to capitalism as a system. They identify capitalism with black marketeers and speculators rather than with the creative, entrepreneurial types with which we are so familiar.

But for Communism and for Communists they have no use at all, and this for a reason peculiar and distinctive to India itself. Some 15 years ago the Communist party was strong and well-organized, and making some progress in the conversion of the urban workers. But the year 1942 was its Waterloo. In those days in India no political party had a present or future unless it was playing its full share in the great nationalist movement for political freedom. This, the Communist party took full advantage of. But in 1942 Gandhi realized that, politically the time had come to press home the drive for liberty. With Japan at India's eastern gateway, he issued his Quit India manifesto, and like one man every political party in India followed him,—all that is, save one, for the Communists, obedient to the Moscow party line, declared the war to be a people's war and that all else must be set to one side. In no time at all the Communists lost whatever prestige they had won. They were revealed as stooges of a foreign power and the Indian people deserted them en masse. Ironically enough, the British, in this situation, actively supported the Communists and provided them with buildings, printing machinery and funds. This had the effect of branding the Indian Communists as the agents of the historic and greatly feared foreign imperialism. The net result—a curious, delayed dividend for the western world—is that the Communists have lost whatever influence they had, and special legislation, known as the Preventive Legislation Act, rigorously applied makes it certain that few Communist leaders ever see the outside of a prison.

India is very likely to develop powerful, left-wing movements but, so long as the memory of the fight for freedom lasts, it is highly unlikely that Communism on the Moscow plan will make much headway. This, in terms of present-day Asia, is a fact of the utmost importance.

Why then, you may ask, does Indian foreign policy appear to falter when faced by the issues of the Cold War as we know it? Again the answers are not simple. The first is that India is only now, for the first time, getting a taste of the aggressive, expansionist side of internationalism communism. That is in Tibet. The crisis arose after I had left the country, but, while I was there, newspaper reports of Indian-Tibetan negotiations gave me a feeling that something odd was brewing. I made inquiries, and got laughed at for my pains. The questions, however, in the light of what has happened since, were sensible enough: but India is curiously insulated from the rest of the world. Its rich plains, great rivers and lovely hills are cut off by the Himalayan range from the rest of Asia. Though all her conquerors, with the single exception of the British, have entered India through those mountain ranges, they have come only at intervals of hundreds of years, and the Indians forget. They are more prone than most folk to say firmly, “It can’t happen here”. They are, that is to say, by nature supreme isolationists and, here on this continent, isolationism is something we all understand even if we do not sympathize with it.

To this powerful, native, geographical isolationism must now be added another powerful element. It is India’s urgent and terrible need to be left alone to work out some of the tremendous projects they believed would be possible once they were on their own. They believed—all of them—that independence would bring them the chance to raise their miserable standards of living. They now find themselves in a distracted post-war world where peoples everywhere are being driven to arm themselves in self-defence. They know that, for India to join one or other of the two big power blocs spells the end of their plans for domestic self-improvement. It is natural, even if it is both short-sighted and illogical, for them to try to stand aloof; and, even if their leaders recognized the dangers more clearly than I think they do, they would run into an uncomprehending public opinion which would be deeply reluctant to make a move.

To make matters more difficult still, they see in the Americans, the re-incarnation of all they used to fear in the British. They believe, as I mentioned earlier, that they need no longer fear British imperialism. But they have shifted their suspicions now to the richer and more numerous Americans. Let me list to you some of the fears which were given expression at the Lucknow conference:

Was Korea a fight for the principle of collective security, or must Korea be added to the growing list of American military outposts in the Pacific?

Is American security synonymous with American imperialism?

Has Asia been chosen as America's battleground against Russia because of America's European allies' reluctance to fight?

Is not the Marshall Plan merely a weapon to force Europe to trade with America and thus deprive Asia of the goods it needs?

Why was Asia chosen as the testing ground for the atom bomb? Hiroshima is proof that America has no respect for Asiatic life.

Why does not America offer loans without attaching political conditions to them? Dollar imperialism is as bad as any other kind of imperialism.

What sinister motive lay behind the quick and decisive action of the United Nations against the North Korean aggression when the United Nations refused to brand Pakistan as an aggressor in Kashmir?

The offer of American help in Asia is predicated upon the acceptance by Asia of private enterprise.

The climax was reached when one critic, after denouncing the arrival of American troops in Korea, pointed out that the North Korean aggression would never have taken place had not the United States withdrawn its occupation force.

And so on, and so on. Arguing with this particular brand of Indian at Lucknow was like nothing so much as trying to argue collective security with Le Devoir in Montreal. The man who wants to be left alone can find a thousand bad reasons to back up his position. None of them mean very much. All they do mean is that he wants to be left alone, and you knew that before you started the argument.

But, out of the confusion of controversy and argument, there emerged for me one or two very definite conclusions. The first of these was that an India which three years ago denied that it needed foreign economic aid, and did not want it, now knows—that is, the thinking part of India—that foreign capital is essential to it. Another conclusion is that the Hindu shrinks violently away from the ruthlessness of Communism, and that his principal leaders, above all Prime Minister Nehru, are men who, faced with alternatives neither of which they like, are bound to come down on our side. There is far more in common between the politics and policies of India and the West than there is between India and the Soviet Union, and this fact is now being driven home to India by the obvious tactics of China in Tibet and Korea. If India felt insulated three weeks ago from the chilly winds of conflicting ideologies and rival power blocs, it is certain that her assurance today is far weaker than it was. Official circles in New Delhi are not wholly without the traditional fears of external and imperialist pressures, the legacy of its long years of subordination. But the extremities and illogicalities of the fears I heard expressed in Lucknow are no part of official thinking. The basic forces now in play in India are all working to bring it finally within the circle of the really free and peace-loving world.

If India does not get foreign aid; or, if it gets it, and does not apply it wisely, we increase the chances of disintegration of a state only now beginning to find its feet. It is therefore for the West to decide whether it will extend that aid or not. To my way of thinking, the risks involved in giving help are far greater than those involved in withholding it, particularly if the programme is designed to meet as quickly as possible the critical needs of the India of today. What that involves is a programme which will meet the major problem of hunger, the problem I mentioned earlier in this talk. It should not be hard to increase substantially the food production of the country as a whole. When you see India, you are astonished by the amount of apparently unused land. The astonishment is based very largely on ignorance. The likelihood is that if land is not being tilled in India, it is not worth the tilling. There is not much scientific knowledge of India's soils, but its peasants have been working it for many centuries; and the judgments of science very often accord with the judgments of usage, just as grandmother's remedies often prove that the old lady's knowledge of vitamins and minerals is equal to that possessed by the modern nutrition laboratory.

But what every Indian knows is the value of water, and India's irrigation system is very far indeed from making use of all the water available. Every Indian knows too that the soil is rich and that it could be made to yield more if better tools were employed. By this I don't mean tractors, or collectivized farming. The peasant's ignorance precludes the use of the first and its social system precludes the use of the latter. Both may come later, but what is needed now is an emergency programme that will put food in people's mouths next year or the year after. A steel plough would be better than the present wooden ploughs that scratch only the surface. And better stock could haul the deeper ploughing tool. A scientific Indian farmer, with capital at his disposal but no machinery, told me that he had increased the yield of his acres by 500 per cent. Even a ten or fifteen per cent increase would banish the spectre that hangs over the India of today. This could be at least part of a programme the need for which is as great as anything in the world. As to the rest, the field of development is almost unlimited. India today stands, in the development of its resources, just about where Russia stood on the eve of its revolution. The not inconsiderable achievements of that country are possible for India, too, but it would be nothing but good sense for the western lands to help her.

This is not, I think, a point of view that has much support in this country. We are absorbed in our own problems, and our attention nowadays is concentrated upon issues which themselves are concentrated upon the thrust of Communism westward through Europe. Because of that we grow easily impatient of people who do not in every respect see eye to eye with us on that. India, moreover, seems very far away,—a fact which we take in our stride, forgetting perhaps that this should make us understand in turn that, to Indians, it is Canada which seems very far away. Yet this absorption in our selves and in our most immediate and narrow interests is not a policy which has ever paid Canada well. Whatever greatness we possess, and whatever respect we have won has come through exercise of our imagination and vision. This has been shown a score of times in our history, from the far-sighted action of the Fathers of Confederation eighty years ago to the many risks we have run, both at home and overseas, to develop our resources and, with them, our character. The biggest lesson we have learned is that we can never stand alone, and that we must at all times so act that we gather friends to our side, whom we will help and who, in turn will give us vital help when we need it most.

With some deliberation I have tried to tell you as much as I could discover of India's present weaknesses and of what seem to me to be certain flaws in her approach to the problems of international co-operation. You may agree with some of my American friends at Lucknow, after they had listened to those criticisms which I have outlined to you today, that the West, so far as India is concerned, is damned if it doesn't, and damned if it does, give aid. It is my belief, however, that the risks involved in a plan of economic aid for India and its neighbours are no greater than the risks involved in the far-sighted and beneficent Marshall Plan for Europe. If that plan has paid off, a plan for Asia will pay off likewise.

A programme for aid has been drawn up. It was devised at a meeting in London, held in the last week of September, and it involves a total expenditure of some $3 billions, spread over six years. Though it is based to a certain extent on American dollars, the major contributions are to come from Commonwealth countries. The approach is a deft one, for the Commonwealth represents an international basis for aid which, to a large extent, overcomes the more irrational fears entertained by both India and Pakistan of the possible effects of Dollar Imperialism.

The plan, moreover, represents a continuation, in a new form, of the substantial help which Britain, all through its darkest postwar years, has been extending to the Dominions of Asia. Britain has received substantial dollar aid through the Marshall Plan. At the same time, Britain has been releasing to India, Pakistan and Ceylon, large sums from its sterling balances which, on a strict and narrow basis of British interests, could have been withheld. The Commonwealth basis of the new plan means that the beneficiaries themselves would police the grants made. The argument that it means a re-assertion of British or a new pressure of imperialism from America therefore falls to the ground.

But this background of Indian fears means that, for real political success, Australian, New Zealand and Canadian participation—above all Canadian, because of our position in the dollar bloc—is essential.

Canada hitherto has not been backward in its recognition of the long-range moral responsibilities involved in the formulation of its external policies. The grant of a credit of $1,250,000,000 to the United Kingdom when the war came to an end is proof of that. The time has came when the extension of further grants, this time to India and its Asiatic neighbours, would be a similar act of far-sighted statesmanship. The scale of the credits would not be so great as those given to Britain, but they would be invaluable in the unfolding of a long-range world programme.

We have a responsibility here that we cannot ignore. It will complicate the problems of our Minister of Finance. It is possible that the addition of such credits will increase to some slight extent the commitments, if not the immediate payments, of our taxpayers. But I know nothing which will pay us better—again in the long run—than to help a nation now standing on the edge of starvation to a position in which it will ultimately become a bulwark in Asia against the tide of Communist, imperialist aggression.

VOTE OF THANKS, moved by the Rt. Hon. Arthur Meighan.

"CANADA'S OPPORTUNITY
A Progressive Programme for Nation-wide Prosperity Through Full Resource Development"

An Address by

CYRUS S. EATON, A.B., D.C.L.
Chairman, Steep Rock Iron Mines, Limited

Thursday, November 30th, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by Mr. Cyrus S. Eaton, of Cleveland, Ohio, Canadian-born industrialist, banker, author, and farmer. Mr. Eaton was born at Pugwash, Nova Scotia, receiving his early education at the Amherst Academy and later at Woodstock College in Ontario. He received his Bachelor of Arts Degree from McMaster University then located in Toronto. In 1946 Mr. Eaton received an Honourary Degree from Acadia University at Wolfville, Nova Scotia. Beginning his business career with John D. Rockefeller, Sr., Mr. Eaton devoted his great talent to American utilities his main associations being with the iron ore, lake shipping, steel, rubber and paint industries. He was the founder of the Republic Steel Corp., third largest steel company in America, and of the Portsmouth Steel Corp., as well as having a dominant interest in other associated iron and steel companies. Since 1943 he has been Chairman of the Board of Steep Rock Iron Mines Ltd., in north-western Ontario.

Active in educational and civic affairs Mr. Eaton has served as a Director of the Cleveland Metropolitan Park Board, Trustee of the University of Chicago, and the Case

Institute of Technology, and the Cleveland Museum of Natural History.

He has written numerous articles and essays on political and economic subjects—Investment Banking, Competition or Decadence, Rationalism Versus Rockefeller, A Capitalist Looks at Labour, being some of the best known. Mr. Eaton also owns and operated a 3,000-acre farm near Chester, Nova Scotia, and an 870-acre farm at Northfield, Ohio, specializing in the raising of pure bred and registered Scotch Shorthorn cattle. I rather suspect that of all his undertakings Mr. Eaton has a very special interest in farming because our invitation to address this meeting reached him at his farm in Nova Scotia and, in his very welcome and very prompt reply accepting our invitation, he did say that the invitation had reached him "at my Deep Cove Farm in Chester, Nova Scotia, where 8 of my grandchildren and I are getting acquainted with our latest crop of Shorthorn calves. Both the children and the calves are good to look at". It is now my privilege to introduce Mr. Cyrus Eaton who will speak on the subject, "Canada's Opportunity".

MR. EATON: Canada today faces the greatest economic opportunity of her history. Her geography, her climate, and her resources, human and natural, afford the ideal combination for an unprecedented era of nationwide prosperity.

The crucial question is, will Canada's leaders of government, finance, industry, agriculture and labour have the imagination and courage to adopt the bold and progressive policies required to turn Canada's boundless resources to account?

Those of us who were born in this great nation are prone to take her priceless potentialities too much for granted. Let us make a fresh appraisal of them.

Canada's Untapped Resources

Canada's territorial extent of 3,800,000 square miles is as large as Europe's. Canada's 14,000,000 people have plenty of room to breathe, in contrast to Europe's crowded

548,000,000. And the population of Canada is young and optimistic in spirit, while Europe's people are for the most part frustrated and disillusioned.

Fronting on both the Atlantic and the Pacific, with rivers and lakes extending 2,000 miles into the interior, and sharing a 3,000-mile border with a friendly neighbour, Canada is strategically located for trade with the whole world, but particularly for commerce with the 150,000,000 potential customers in the nearby United States.

Canada is blessed with a climate which makes for a vigorous and energetic people. That same climate, coupled with lake, stream, forest, mountain and sea of matchless beauty and variety, constitutes an irresistible year-round vacation land, which attracts millions of American tourists every year.

Canada's most widely heralded resources perhaps are her vast, but largely untapped, mineral treasures: gold, silver, nickel, copper, lead, zinc, iron ore, oil and uranium. The richness of her farm land is unrivalled. The extent of her forests has given her world leadership in the pulp and paper industry. Her tremendous water powers offer a limitless source of electricity. Her seas abound with fish enough to feed the entire continent. But the greatest of all of Canada's resources is her people, the honest, intelligent and energetic men and women who, day by day, demonstrate their love of hard work in factory, office, forest, mine, mill, store and home, on farm and at sea.

A Son of Canada

Before I outline the policies which, in my judgment, must be pursued to give every Canadian the full benefit of these priceless assets, I shall endeavour to qualify myself as somewhat of an expert on my subject. My approach necessarily is not that of a professional economist. The opinions expressed here are the outcome of a lifetime spent largely in practical activities, including experience in electric power, railroads, lake shipping, iron ore and steel.

In the early, formative years of my life, national policies were one of my studies. In Nova Scotia, where my family were farmers, lumbermen and merchants, we also kept the post office, which was the sorting and distributing centre for a dozen surrounding communities. Here was a golden opportunity to learn to know the newspapers of Canada and to read the detailed accounts that they carried, in those days before the comic pages, of the proceedings and speeches in Parliament.

Joseph Howe, Nova Scotia's great Liberal, was my grandfather's closest friend and, although Dr., later Sir Charles, Tupper, her leading Conservative was the physician who brought my father into the world, he was named Joseph Howe Eaton. From the beginning, I had the good fortune to know statesmen from both sides, and I have been personally acquainted with every Premier of Nova Scotia since Fielding.

When I was fifteen, I went to Ontario to school and college. During my four years in Toronto, I attended meetings of the Ontario Legislature as often as I could to listen to the debates. I have known personally every Prime Minister of Ontario since Sir Oliver Mowat, and every Prime Minister of the Federal Government from Sir Charles Tupper to Mackenzie King.

To help put myself through college, I had a part time job in the advertising department at Ryrie's, now Birks, and it was there that I learned what an important adjunct the newspaper is to successful merchandising. I early made the acquaintance of Sir John Willison, who had left *The Globe* to found *The News*. I saw considerable of his successor on *The Globe,* Macdonald, and of Joe Atkinson, then a rising star in the newspaper world. I regret that I did not have the privilege of knowing John Ross Robertson. From that time to this, Canadian newspapers have come daily to my desk, and continuous reading of them, and especially their splendid financial pages, has been of great value.

Canada's Problem

During my student days in Toronto, Goldwin Smith was at the height of his career as a provocative analyst of the political and economic problems of Canada and the

Empire. His home, the Grange, was a mecca for those who were deeply concerned with what he termed the economic backwardness of Canada, and who, like him, were constantly searching for remedies. Goldwin Smith was not famous for his tact, but he had a penetrating intellect and a brilliant pen. For a former professor and a writer, he was no mean financier, furthermore, as the estate of $1,000,000 that he left testified.

The summers of my college years were spent across the border in Cleveland, where I was lucky enough to find employment with John D. Rockefeller, Sr., in my estimation, the economic titan of all time. From this inspiring relationship came my decision to make my business headquarters in Ohio, reluctant though I was to leave my loved Canada.

But before settling in the United States after graduation, I made a tour of western Canada and spent five months ranching in Saskatchewan. I was present at the ceremonies in 1905 when Prime Minister Laurier and Governor-General Lord Grey inaugurated the governments of the new Provinces of Saskatchewan and Alberta. The next seven years, my vacations all led back to the Canadian west and, ever since, I have maintained social and business relations in the western cities of Victoria, Vancouver, Calgary, Edmonton, Regina and Winnipeg, as well as in the eastern centres of Toronto, Ottawa, Montreal, St. John, Charlottetown and Halifax. In my early days in the electric power business, I owned the utilities in Brandon, until I sold them to the Province when John Bracken was Premier of Manitoba.

Business has brought me constantly to Canada over the years. Since 1928, I have had a large farm in my native Nova Scotia, and the summer never passes that my children, my grandchildren and I do not spend at least six weeks there. I have never developed the habit of going south, but any winter holiday when I can get some of my family to accompany me is spent on skis in Canada.

Steep Rock Shows the Way

I have been constantly interested in the welfare of

Canada, and one of my life-long preoccupations has been in some small way to give an impetus to the material progress of my native land. The most recent step toward that goal has been my participation in the development of the Steep Rock iron ore range in western Ontario.

Eight years ago when I joined hands with the late General Hogarth, Julian Cross, "Pop" Fotheringham and other Canadian friends in that venturesome and pioneering task, the Steep Rock deposits were a dubious prospect of unknown quantity lying far below the bed of a deep lake. Today, in its sixth full season of production, Steep Rock has set a new record of shipments of 1,215,000 tons of high grade ore. More important still, the Steep Rock reserves of high quality iron ore are now known to exceed those of any other range, old or new, on the continent. In 5 years, we aim to have at least 6 mines shipping a minimum of 10,000,000 tons annually.

Every hour of every day since 1942, I have been in direct touch with the manifold aspects of the Steep Rock undertaking. It has brought me face to face with the difficulties of creating and developing a new industry in Canada, and it has given me a first-hand knowledge of the problems of transportation, communication, electric power, finance and markets for a new Canadian enterprise.

Vast Export Market Beckons

No undertaking can flourish, of course, unless there is a ready market for its product. Goldwin Smith sixty years ago foresaw that the logical outlet for Canadian products was the United States. We pointed out that it would not be forever possible to suppress geography and that, despite political reasons for trying to trade with the Mother Country, in the end Canada would do more business with the millions of customers a few miles away across the border than with Great Britain 4,000 miles across the sea. How right Professor Smith was is clearly shown by the statistics: in 1890, Canada's exports to the United Kingdom totalled $48,000,000, to the United States $38,000,000. In the first ten months of 1950 the United Kingdom took $394,000,000 worth of Canadian products, the United States $1,661,000,000.

In his historic essay on "Canada and the Canadian Question", published in 1890, Goldwin Smith went so far as to doubt that the four blocks of territory constituting Canada could be kept by political agencies united among themselves and separate from the continent of which geographically and economically they were parts.

Nova Scotia Points Up the Problem

The case of my native Nova Scotia was uppermost in Professor Smith's mind. Up to the time of Confederation in 1867, Nova Scotia was a separate entity, sharing only adherence to the Empire with the rest of Canada, and prospering from a lively trade with the United States. Confederation and the ensuing high tariffs impoverished Nova Scotia. The rest of Canada did not need or want her products of farm, forest, mine and sea; the American market was closed to them, and because of the new high tariffs, Nova Scotia was now forced to pay high prices for all manufactured goods. A further serious consequence was the wholesale, though reluctant, exodus of the flower of Nova Scotia's youth to the United States to find a way to make a decent living.

Nova Scotia's plight has been to some extent alleviated in recent years. She has developed a pulp and paper industry whose products can enter the American market duty free. Her tourist trade also brings in worthwhile revenue. But her agricultural problem is acute, and 5,000 of her once thriving farms have been abandoned. We are trying to develop a purebred livestock industry there, by urging concentration on registered breeding stock that can go duty free into the American market. I sent my first such shipment of Shorthorn cattle from my Nova Scotia farm to the States last spring, to demonstrate what can be done.

I am not one who favours political consolidation of Canada and the United States. As I tell my American friends, the only way that could ever be accomplished would be by repeal of the Declaration of Independence and by the designation of a Canadian city, probably Toronto, as capital of the new nation. But I do believe that the economic destinies of the United States and Canada are interwoven, and I do want to urge the fullest possible interchange of goods between the two countries.

Canada's exports to the United States have caught up with and even overtaken her imports from the United States in recent months. The American market is eager for more and more Canadian products, so that Canada is in an excellent position to launch on a large scale expansion of every segment of her economy if she chooses to follow the bold and optimistic course.

There are those in high places who will sincerely decry such a policy as inflationary. The answer to them is that the only sound road to the reduction of prices is increased production, resulting in a greater abundance of goods. On the other hand, a policy of deliberate deflation, accompanied by drastic artificial measures to contract credit, check speculation and reduce prices, can play sufficient havoc with legitimate business to lead to unemployment and depression.

Canada Bound To Prosper If Big Institutions Participate

My observation is that the individual Canadian is in an optimistic mood, and is ready to move rapidly forward on the economic front. But the big institutions, without whose wholehearted participation there can be no major progress, are holding back. The Federal and Provincial Governments and the appropriate privately owned companies owe it to the citizens of Canada to provide railroad facilities, telephone service, electric power and highways on the vast scale required and the strong nationwide banks must extend the credit needed to enable the Canadian economy to make the most of its unprecedented opportunity.

In my long association with the Chesapeake and Ohio Railway on the American side of the border, I have found that, where we built extensions of our line to reach new coal mines in hitherto inaccessible areas, and persuaded the telephone and power companies to build telephone and power lines and the Federal, State and local authorities to construct highways, profitable business developed for everybody concerned and splendid new communities sprang up. The Chesapeake and Ohio has not hesitated to spend millions of dollars to enable a single new mine to ship tonnage to its market. The Chesapeake and Ohio has just lately placed orders for $130,000,000 worth of new freight cars and locomotives.

More Highways and Hydro Essential

There are no finer highways in the world than those that circle Toronto. Go a thousand miles West, however, and you will find communities that have no highways to join them with the outside world. Just across the border in Minnesota are modern roads connecting towns, villages and hamlets no larger than the isolated outposts of neighbouring Ontario. It is obvious that the next ten years will see a tremendous increase in motor traffic in Canada. The roads that will inevitably be needed could be built now, with tremendous economic advantage.

The demand for electric power in Canada exceeds the present supply, but the undeveloped waterpowers are a potential source of enough electricity for Canada's own full future requirements, with a substantial surplus to sell for cash to the United States. Once the water has gone unharnessed down Canada's mighty rivers, the power is forever lost. Where hydro is government-owned, there is an especial obligation on the part of the public servants to prevent this conspicuous waste of one of the people's greatest resources.

To encourage the opening up of new industries, the public power commissions ought to make ample power available at low prices. The present practice in some localities of forcing a new industry to pay almost twice as much per horsepower as an established industry is a serious check on economic progress.

Swift telephone communication with the continent is essential to a successful enterprise. I would like to see Canada's great telephone system join in the risks involved in opening new areas.

Banks and Railroads Must Also Play Their Full Part

One of the strengths of the nationwide Canadian banks and railroads is their size. It is also one of their grave weaknesses. The division superintendent of the railroad who cannot buy a wheelbarrow and the local bank manager who cannot make a loan without head office approval are reduced to the role of minor bureaucrats. There is immense talent going to waste in railroad station agents and branch bank heads. They have plenty of time to serve as directors of local companies, to own farms and to take a more active part in developing Canada's resources.

If transportation, electric power and credit are provided in adequate amount, there can be tremendously increased activity in the production not only of raw materials and semi-finished goods, but also of manufactured articles, both for domestic consumption and export. With the modern trend toward decentralization, there is no reason why every Canadian community of any size should not have a thriving industry of its own.

Capital's Partnership With Labour

An essential element in Canadian economic progress will be the closest harmony and co-operation between capital and labour. Canadian business leaders would be well advised not to rely on governmental agencies to handle labour matters, but to get to know and understand their employees and the leaders of the labour organizations to which their employees proudly belong. Any executive who bases his claim to office on his prowess as a labour baiter is a heavy liability to his company.

Turning to the intellectual and spiritual aspects of the programme I am outlining, I think the educators and churches of Canada have an important part to play. Socialism and communism are not primarily concerned with encouraging the life of the mind and the spirit; their central aim is to provide for the material well-being of the people. Functioning properly, capitalism can produce more of the good things of this world than any other system. And the life of the mind and the spirit will flourish if there is material progress in nations which combine the capitalistic system of economics with the political system of democracy.

Men of Practical Affairs True Leaders

The educators and churchmen must enunciate the worthiness of striving for the good things of this earth, and they must encourage recognition for those who take the lead in promoting material progress. It is too much the fashion, in the United States as well as Canada, to reserve recognition to the statesmen, the military man and the literary man, as opposed to the industrialist, the farmer, the engineer, and the banker who take the leadership in practical pursuits.

For some years I have been an Elector of The Hall of Fame, America's Westminster Abbey. I have tried repeatedly, but without success, to persuade my fellow Electors to honor Andrew Carnegie, the Scottish genius who made modern American industrial civilization possible by bringing together the iron ore of the Great Lakes and the coal of Pennsylvania and Ohio to create the steel industry. When he retired, Carnegie gave away his immense fortune to promote the spread of knowledge and to help humanity toward its goals of international justice and universal peace. I could not get the Presidents of our great American universities and others of my fellow Electors to cast a majority vote in favor of Carnegie.

On this St. Andrew's Day, I am happy to report, however, that I was able to help the election to the Hall of Fame of that other Scotchman, Alexander Graham Bell, for an inventor somehow seems to escape the stigma that attaches to other practical men of affairs. Some of you will recall that Bell spent his boyhood in Ontario and, after his retirement, when he could afford to choose from all the world, he selected Nova Scotia as his place of residence for the last and best years of his life.

Viscount Milner, whom our old friend Lord Tweedsmuir described as the British Empire's greatest intellect of his day, earned unpopularity by asserting that while England led the world in the development of gentlemen and scholars, her genius did not include the economic upbuilding of the vast "undeveloped estate" of the Empire. England's charm and cultivation remain something for all of us who are devoted to the Empire to cherish. But each member of the Commonwealth must now look to itself for its own development, and each can make its maximum contribution to the Mother country by increasing and maintaining its own economic strength. Canada especially has everything to gain by strict adherence to the precepts of Viscount Milner and that other Empire builder, Cecil Rhodes, whose vision, ambition and driving power make exemplary models for Canadians to follow.

Canada's Choice: The Bold and Courageous Course or the Penurious and Unprogressive Policy

Canada is held back by the excessive caution of her banks, railroads and utilities and by her Federal and Provincial Governments, especially in their approach to electric power development and highway construction. Canada, like the rest of the world was laid low by the economic depression of the 'Thirties. Now, twenty years later, it is time for her big institutions to abandon the penurious and unprogressive policies of a contracting economy, and to embark on the bold and courageous course of expansion to bring the economic status of every Canadian to the highest in the world.

VOTE OF THANKS, moved by the Hon. Charles McCrea.

"PEACE AND PROSPERITY
The Challenge of Our Day"

An Address By

HIS EXCELLENCY THE
HON. STANLEY WOODWARD, A.B.
**Ambassador of the United States of America
to Canada**

Joint Meeting with The Canadian Club of Toronto

Monday, December 4, 1950

CHAIRMAN: The President of The Canadian Club of Toronto, Mr. R. F. Chisholm.

MR. CHISHOLM: The Empire Club and the Canadian Club have gathered today to do honour to His Excellency, The Honorable Stanley Woodward, the United States Ambassador to Canada. In turn, our Clubs are honoured to have Mr. Woodward with us and it is natural and proper that a joint meeting should be called for this purpose.

In these troubled days of violence and heartbreak throughout the world, perhaps the one rewarding element is the opportunity provided, and the seizing of that opportunity, for collaboration of men and nations of high integrity. In the first instance, that collaboration is expressed in the exchange of ambassadors of real attainment and sincerity.

Mr. Woodward was educated at Yale University and the School of Political Science in Paris. He served with the U.S. Army during the First Great War. Since 1925 he has been serving his country in the Foreign Service division with postings in Geneva, Brussels, Haiti, until 1934, when he returned to America, becoming Chief of

Protocol in 1944. Now, once again, Mr. Woodward is serving in a foreign country.

From the outset of his Canadian assignment, Mr. Woodward has gained the respect of the official Ottawa group and, with the same feeling, we welcome him here today to speak to us under the timely headline "The Challenge of Our Day".

HIS EXCELLENCY: I had planned to talk to you today on a rather familiar theme—our good relations as neighbours. But—the Chinese Communist attack in Korea—the second act of brazen aggression in that land in five months—has changed everything. We are on the brink of the precipice—and we see before us the abyss of war.

It is important—especially in the light of these last few days—that we make an estimate of the situation. This includes an assessment of our strength. We know only too well what the others have to offer. We must reassess what we have—our strengths and our potential power—particularly here on the North American continent.

We have here what we would like to see everywhere in the world—peace and prosperity, flourishing under free institutions. And more especially we have a comfortable relationship. We trade with each other, visit each other, enjoy a common cultural heritage, equivalent standards of living, the same books, magazines and movies, football, baseball and hockey games—in short the same standards, the same tastes.

Of course, we've had disagreements—and we'll probably continue to have them. People who live as close together as we do are bound to have them. Together we learn to appreciate each other. We move constantly toward closer understanding and toward easier settlement of the problems that confront us.

But when a crisis comes, we stand together. And the rest of the world has come to realize that Canada and the United States live and stand together—representing the North American view and a mutual approach to the problems of the day.

If we wish to examine our common position we could not go back to a better time than 1941 . . . when we were faced with dark days and the need for courage and momentous decision. At that time our two great leaders—President Roosevelt and Prime Minister Mackenzie King—sat down together to plan.

I sometimes think that, in a larger sense, that historic conversation at Hyde Park in 1941 was more than just two great *men* planning to meet a crisis. It represented two great *nations* continuing their joint efforts to meet, together, any crisis that might arise at any time.

When that meeting was over, Mr. Roosevelt and Mr. King issued what has become known as the Hyde Park Agreement. That was the charter of Canadian-American co-operation during the last war.

Vital as that Agreement itself proved to be, to the winning of the war, I want to point out here today two significant related facts. One is that the Agreement was only a symptom of the spirit of co-operation that made it possible when the need for it arose, and second, that principle of co-operation did not die when the war was won, but instead, has found new strength.

Specifically, the Hyde Park Agreement resulted in an unprecedented joining of the economies of the two countries. Supplies were pooled. Joint farm programmes were worked out. Industrial plans were geared together. The boundary was almost completely erased for wartime purposes, and a long stride towards winning the war was made.

Let me read one sentence from the Hyde Park Agreement of 1941: "It was agreed as a general principle that in mobilizing the resources of this continent, each country should provide the other with the defense articles which it is best able to produce, and, above all, produce quickly, and that production programmes should be co-ordinated to this end."

I won't take time to detail here how it all worked out, because that war is over and won. But since another crisis faces us now, we may look back at that effort as a guide.

Joint committees were set up. One of the most important was the Material Co-ordinating Committee. Another was the Joint Economic Committee. Another was the Joint War Production Committee. There was the Joint Agricultural Committee. There were others.

These joint committees dealt with export control, with shipping and with production problems. The committees specifically considered such matters as Great Lakes shipping, tariffs, price controls, production priorities, power and paper shortages, the Atlantic fisheries, the Alaska Highway, civil aviation routes and atomic energy research.

When the war was over, naturally many of these joint actions were dropped.

But the basic relationship of co-operation and interdependence and neighbourliness remained. That doesn't die just because committees adjourn.

And so, today, when aggression once more threatens our security and the peace of the world, we are drawn instinctively together again.

Recently another Declaration was made. Another acceptance of the Hyde Park principle was agreed upon by our two countries.

With the signing of this historic document, called the Statement of Principles of Economic Co-operation, our two countries pooled their resources in a common defense against aggression. Once more we have jointly mobilized our industrial economies.

Although this recent agreement between our two countries for our joint industrial mobilization has been widely discussed in the press during the past month or so, and has met with universal approval on both sides of the border, I should like to review its six general principles again today.

1. The two countries shall develope a co-ordinated programme of requirements, production and procurement. This means that we decide together what we need; we work together to make it; and we see to it that it gets where its needed. That makes sense.

2. There shall be co-ordinated controls over the distribution of scarce raw materials and supplies. This means that we will share our common resources.

3. Such control shall be mutually consistent and administered to achieve comparable effects in each country. This means that we both get an even break. We will consult. If we have to put on a control of some kind which would have an effect on the use of materials, the corresponding Canadian control will serve the same purpose.

4. There shall be free exchange of technical production knowledge and skill. We won't operate on a secret basis.

5. Barriers impeding the flow of essential defense goods shall be removed as far as possible. It wouldn't make sense if we were to produce defense goods and then couldn't get them back and forth across the border as we need them.

6. The two governments will consult concerning any financial and foreign exchange problems resulting from the implementation of the agreement. This will insure that we will consult whenever dollar exchange problems arise, so that defense purchases will not be held up.

This agreement is a statement of principles and does not contain specific arrangements. It is the framework within which specific arrangements can be made as they are convenient and necessary. The agreement does not contain provisions concerning the lowering of tariffs or other particular projects. In other words, the agreement contains nothing new, but is a re-definition of the attitude of mind of each country to the other. It is an expression of the obvious mutuality of interest held by the two countries, geographically, socially and economically. It is intended to be the basis for economic co-operation in our common defense.

This agreement is supplementary to our joint and international agreements. Our two governments have no intention of abrogating or taking any action contrary to international agreements already entered into. In fact, this agreement strengthens our other international commitments.

This agreement in effect provides for coordination of our industrial resources for the common defense. Mr. C. D. Howe, your Minister of Trade and Commerce, summed up its objectives and expressed the general approval of this accord at the signing ceremonies in Washington when he said "Traditionally, Canada and the United States march side by side in time of war. The fact that in the field of military preparation we will march together in an effort to *prevent* another war will be reassuring to the peoples of both countries."

I should like to stress the fact that our industrial mobilization is not aimed at increasing the net trade between our two countries. It is not a reciprocal trade agreement. The United States is not searching for defense orders to swell production. Our plants are already working full time. *Your* industrial machine is also working at capacity. Joint industrial mobilization is not a commercial proposition—it is aimed at making the most effective use of our common industrial capacity for our mutual defense.

On the other hand we know that foreign trade is the lifeblood of international peace and prosperity. As a demonstration of this fact we have just a few weeks ago eased the entry of goods into the United States through an administrative reform of customs procedure. We are planning a major legislative Customs Simplification Act. Both actions are aimed at increasing imports and thus bringing into better balance the international trade of the United States.

At this very moment we are negotiating also at Torquay with between 30 and 40 other nations to reduce tariffs and other trade barriers. These steps are based on our desire to see a stimulation of international trade—and a resulting increase of standards of living throughout the world.

There is another very important subject of common interest that I want to mention here today. It is the joint development of the St. Lawrence for navigation and for power.

A few weeks ago I was in Washington where I saw President Truman and talked with him at some length. Among other things we discussed the St. Lawrence Seaway and Power Project. I told him how much Canada wants to see a start on the project. He replied: "So do we. It's an urgent matter—and I intend to press it at the next session of Congress."

The project has a new urgency. In the Executive Branch of the United States Government we realize that. We know that the demands of the present situation call for a start on the project and for its completion as rapidly as is physically possible. In the United States—as in Canada—and as in the countries of our partners and allies—we are building up our military strength—believing that strength is the best guarantee of peace. Armed might is based on industrial might. Industrial might, in turn, is based on constant growth and development. New and better power sources and new and better means of transportation are needed to help develop a more efficient industrial system. The St. Lawrence Project will provide both.

The St. Lawrence and the Great Lakes provide a waterway from the Atlantic Seaboard for 2,225 miles straight into the heart of North America. It is a natural route to follow—it could allow deep draft ocean-going vessels to sail to and from the rich food-producing states and provinces of the prairies as well as to and from a great industrial area. With the Seaway, cheap water transportation would bring goods at lower delivered prices to the cities and towns of the interior—it could move their production at an increased rate to overseas consumers.

The Seaway is more than an economical way to move goods. It is a safe way. It would provide additional facilities for the movement of ships. It will make possible the construction of ocean-going vessels in inland areas.

A new impetus has been given to the construction of the Seaway. That is the discovery of rich iron-bearing areas in Labrador. We need iron ores. The Mesabi range in Minnesota is on the way to exhaustion. Resources in other continents—in Africa, South America—may not be available in time of war. But iron is there at Ungava. In a few years iron-bearing hematite will be flowing at the rate of some 10,000,000 tons annually over the 360-mile railroad from Knob Lake to Seven Islands. It is in the interests of both our countries that this ore be transported over the most economical—and at the same time—over the securest route. That—The Seaway will provide.

Equally with cheap transportation, we need cheap power. We need it urgently, not only for normal use in farms, homes, and factories but especially to help in expanding important chemical, metals, and other industries vital to our defense efforts. You need more power here in Ontario, and we need it in our northeast.

I have visited the Tennessee Valley several times and have seen the benefits and wonders that cheap public power has worked for that region. TVA has done far more than provide rural electrification. It has attracted industries—it has upped the standard of living—it has raised incomes for the farmer, the factory owner, the worker.

This fall President Truman asked for the formation of an interagency committee of government departments and I quote from the President's letter "to initiate a comprehensive survey of the resources of New England and New York and prepare recommendations for the development, utilization, and conservation of these resources."

My Government is making this survey in co-operation with the six new England states and New York. There are certain projects in the area to be covered which should be started as soon as possible as good investments for the future of the region. Among these are further development of the Niagara Falls power potential and the construction of the St. Lawrence Seaway and Power project.

That is the view of the United States Government. Perhaps it may seem a bit one-sided as I've presented it. We also take account of the other side. We realize that the St. Lawrence Seaway and Power Projest is important to Canada. As *we* do, you also have an East deficient in low cost power and that deficiency is therefore hindering the development of industry and the utilization of existing natural resources. The seaway and additional power are essential to your economy and to your defense. And we know well that what makes you more prosperous and what makes you better able to defend yourselves adds to the prosperity and to the security of the United States.

Thus, the project is more to us than an entry to the mid-west or more power for the northeast. It is an important means by which the whole of North America can be strengthened.

The combined project is so important to our continent that we feel that power and navigation must go together. We believe that the interests of the community should not be sacrificed by proceeding with one or the other parts of the project separately. We don't want to split them up. We consider this a North American project—not a regional one. All contributing to the cost, and all benefiting—either immediately or in the longer run as the wealth and strength of the entire continent is increased.

As I said before, the St. Lawrence Project has a new urgency. Our time for preparedness has shortened. We need to gird ourselves. We need to see our strength grow. That's why the United States Government backs the project most earnestly. In the Executive Branch, the President, the State Department, the Department of Commerce, and various other Government departments—are all working hand in hand to put across this view. The President has assured me that he will emphasize to the new Congress in January the importance—the new urgency—of the St. Lawrence project. I hope that the 82nd Congress will give the plan its most earnest attention and that we will all see—at some early date—a start of construction.

All these things strengthen our joint defense, and that seems necessary today in these troubled and critical times. Both our countries, the United States and Canada alike, wish that our tremendous joint resources, our enormous national energies, our inventive genius, our industry and all our strength and skills—we wish that all of these could be directed toward building, toward prograss and prosperity and peace.

Both of our countries—in this prosperous neighbourhood of ours—have become great through the years because we have chosen a very simple policy. We have been builders by instinct. We have chosen peace, throughout our history, rather than conquest. By that policy we have become powerful and rich and strong. And because of our strength we have become secure.

But—and a very big but—our security is menaced again. Back in June—it seems more than just a few months ago—saw the North Koreans obey the orders of their Russian masters when they swept over the 38th parallel to attack the Republic of Korea. There the United Nations met the challenge. We were all tremendously heartened when we saw *53* nations combine to condemn an unwarranted and dastardly aggression. We were further heartened months later when the United Nations troops—after almost being driven into the sea—lashed out at the invading communists and slowly but relentlessly drove them back. We have seen the North Korean aggressor virtually disappear as a fighting force with the United Nations arms inflicting on them one defeat after another.

Then—in line with the United Nations decision to unite the whole of Korea and to prevent any future repetition of a surprise attack—the forces of General MacArthur, under the blue and white banner of the United Nations, appeared near the successful completion of their mission. In the United Nations General Assembly we were discussing plans to rehabilitate Korea—to bring about stability of economic and political conditions.

But then from across the Manchurian border swarmed the Chinese Communists. In a blatant and arrogant fashion they attacked the forces of the United Nations and defied all of the 53 nations which had earlier condemned North Korean aggression. They attacked—and yet at the same time they came to Lake Success—attempting to charge illegality in the UN stand against aggression, and attempting to cloak their own aggression, with a wordscreen of spurious charges.

This new crisis has created a situation of great danger. The concept of world peace is gravely menanced. And the tragedy of it is—as Secretary of State Acheson said last Wednesday night, and I know from my own experience of living in China—its springs from no interest of China or the Chinese people. No, this is an aggression planned by and for that small clique of Communists ruling China, men nurtured and trained on the Communist dogma whose aim is subversion, dissension, aggression.

Where does this new act of aggression lead us? What are we to do in face of this demonstration of the contempt of the Communists for the United Nations? How must we react to this apparent acceptance by the Communists of the risk of a general war?

It is manifestly our duty to face squarely the danger which confronts us. I think it important at this time to take a look at what the other side stands for. Communist philosophy—made clear as crystal in the writing of Lenin and Stalin—is based on the contention that Communism cannot live in a world where free nations exist. This is the threat to our survival. We must be strong, wise, moderate, steadfast—with constant purpose yet flexible in action. We cannot panic. We may disagree at times in the methods of achieving strength—but we must make it clear at all times that we are determined to hold on to our freedom and that we are determined to strengthen ourselves to resist any aggression, anywhere.

We also have a definite programme for guarding the peace. First and foremost, there is the United Nations. We have seen that organization grow to its present stature as an effective and working group and we are not willingly going to see it fail. We are not just talking but fighting to preserve our way of life. Then we have regional defense pacts, built within the framework of the United Nations charter. The North Atlantic Pact is more than a grouping of like-minded nations for defense. It is the development of a community spirit and of a sense of confidence in each other. Through our common interests and common desires it welds us together.

Then we have economic co-operation—an essential part of our common defense effort. It is through the strength of our economic system and by the development of the capabilities of each free nation, that the necessary pitch of military preparedness can be reached. Admittedly, we cannot have guns and at the same time have all the goods to which we are accustomed. There must be sacrifice.

We must allocate to defense those raw materials, those production skills, which are needed.

Furthermore, as Secretary Acheson said—in our strategy we must maintain a readiness to negotiate. He said: "The free nations must always be prepared to enter into genuine negotiations, and even to take the initiative in efforts to bring about honest negotiations."

All of this makes sense.

We must be ready to negotiate, but we must make it plain that we will not appease—that we will not sacrifice the principles we believe honest and real for any false hope of peace.

We hope to preserve the peace and to avoid war. No one can be sure that a war will not come. There is no sure answer. We can only hope for the best—and prepare for the worst.

Each of us—every like-minded person—has a definite responsibility. We cannot shrug off that responsibility. We can't say: let the UN decide, let our leaders decide, let our representatives decide. Each of us must decide. Each of us must sacrifice. Each of us must shoulder his share of the common burden.

I have spoken of material things, but I cannot end without stating my conviction that through all this activity there runs a strong strain of the spirit. We do not live by bread alone. We are Christian peoples. We are men of faith. We have faith in God, and faith in our fellow man. We fear God, and try to keep His commandments. Let us *thank* God we do not have to fear anyone else, or keep anybody else's commandments. We are fortunate—the world is fortunate—that this is so. For in this time of stress and strain, in this hour when we must again beat our ploughshares into swords, and our pruning hooks into spears, it is through that faith in God and in ourselves we shall answer to-day's challenge.

VOTE OF THANKS, moved by Past President H. G. Colebrook.

"SOME ECONOMIC AND FINANCIAL CONSEQUENCES OF DEFENCE"

An Address By

THE HON. DOUGLAS CHARLES ABBOTT, K.C.
Minister of Finance

Thursday, December 14, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: The Empire Club of Canada is particularly honoured to-day to have as its Guest and speaker the Honourable Douglas Charles Abbott, K.C., Minister of Finance. Mr. Abbott was born at Lennoxville, Quebec. He went overseas at the age of 17, with the 7th McGill Siege Battery. He later transferred to the Royal Air Force and was commissioned as a 2nd Lieut. After the War he enrolled in the Faculty of Law at McGill University graduating with the degree of Bachelor of Civil Law. He continued his studies at Dijon University in France specializing in the study of Roman Law upon which the Quebec civil code is based. Returning to Montreal Mr. Abbott practised his chosen profession there, and in 1939 was created a King's Counsel. Mr. Abbott began his political career in 1940 when he was elected to Parliament representing the St. Antoine-Westmount constituency which never before had returned a Liberal. He was re-elected in 1945, and in 1949 he won with the largest majority ever accorded a candidate in that constituency. In 1943 Mr. Abbott was appointed Parliamentary Assistant to Mr. Ilsley, the Minister of Finance. In this capacity he was particularly responsible for the administration of the Wartime Prices and Trade Board, and the establishment of the Industrial Development Bank. In 1945 he became Parliamentary Assistant to the Minister of National Defence, a position of particular importance because of the fact that the Minister, General MacNaughton, did not have a seat in the House. Shortly afterwards he became Minister of National Defence. In 1946 Mr. Abbott changed portfolios to become Minister of Finance. During the War it became fashionable for certain smart alecks and cynics to say that they were "working for Mr. Ilsley", and now I suppose we may expect to hear the same comment with respect to Mr. Abbott. The fact is that the situation is exactly the reverse. Mr. Abbott and his colleagues are working for us, and I would take this opportunity of voicing appreciation on behalf of Canadians of all political parties for the conscientious, able and dignified service being rendered to Canada by those we have chosen to represent us in Government. These are serious days, and the subject of Mr. Abbott's Address "Some Economic and Financial Consequences of defence" hardly leads us to think that despite this festive Season we are enjoying a visit from Santa Claus. It is now my pleasure to introduce the Honourable Douglas Charles Abbott, K.C., Minister of Finance to this Luncheon meeting of The Empire Club of Canada.

MR. ABBOTT: This is the second occasion on which I have had the pleasure of speaking to The Empire Club. I hope that I have been invited again because I made a good impression two and a half years ago. But perhaps Ministers of Finance are invited to speak every two years or so, and it may be that some of your members were confident in March, 1948, that the Minister of Finance in 1950 would be someone of another political complexion!

Whatever the reason for the invitation, I am very pleased to be here. The Empire Club has a record of distinguished speakers, and anyone who is privileged to address it can feel honoured indeed.

Your invitation to speak was also most timely, for I was looking for an opportunity of discussing, with a representative group of Canadians, some aspects of National policy that are of particular concern to the Minister of Finance and that no doubt are very much in the minds of every citizen and taxpayer.

When I spoke to your Club in March of 1948 I asked you to take a new look at Canada. I might well ask you to do the same thing again today, though for somewhat different reasons. Two and a half years ago it seemed to me that we should get a new perspective on our country and, from the record of accomplishments, gain a new inspiration which might invigorate our efforts to make Canada a better land in which to live.

At that time, there seemed to me to be a danger that Canadians might, through lack of confidence, or through too much concern with trivial problems, fail to seize the opportunities that lay at hand. Can anyone, looking back, say that confidence in the future of Canada was misplaced? Surely not. Surely the truth is that accomplishment has once again outstripped expectations?

It is my duty on this occasion to speak in more sober terms. None of us, contemplating the immediate future, can hold out the hope that Canadians will be free to devote their full energies to the improvement of living conditions. Indeed, it is now clear that we shall have to forgo some of the good things we have been enjoying in order to protect that which is essential—our freedom to live as we choose.

But even though the prospect before us is uncertain, perhaps even grim, an expression of confidence in the economic potential of Canada is not out of place. We are very much stronger than we were in proved resources of vital materials, in plant and equipment and in skills. It seems to me, too, that there is an ever-growing unity of purpose and outlook among the people of Canada that will enable this country to respond to the challenge of adversity by efforts far beyond what would normally be expected.

In other words, I suggest that accomplishment may again outstrip expectations. This is not a time to dwell on the difficulties that may lie ahead, or on the hopes that may be frustrated. Rather is it a time to think in terms of bringing the demonstrated energies and resources of Canada to bear where they are most needed for the common good.

It is from this point of view that I should like, for the remainder of this address, to speak to you about some of the economic and financial consequences of defence preparations. I shall begin by referring to the effect of these preparations upon federal-provincial relations, which is a topic of current interest, and shall then turn to the problem that is concerning all of us—the control of inflationary tendencies.

The federal-provincial conference met for four days last week in Ottawa. When a conference was originally suggested by the Prime Minister, in December of 1949, there were rumblings of trouble in various parts of the world. But no one, a year ago, could have foreseen the dark and tragic events that were to follow and that were to bring the world so perilously close to war.

Changes in the approach to federal-provincial relations were inevitable. The Federal Government, which has the responsibility for national defence, had no choice but to limit its commitments for other purposes. But I am bound to add that the Provincial Governments showed the most sympathetic understanding of the position, and never at any time during the discussions questioned the prior claims of national security.

We laid the facts of the situation before the Provinces as clearly as we could. I shall not attempt even to summarize the statements that were made by the Prime Minister, the Secretary of State for External Affairs, the Minister of National Defence, and myself. Suffice it for me to say that no one who listened could have been in any doubt whatever as to the need for more adequate defences, the high cost of providing them, and the consequences for the taxpayer and the general economy.

Originally it had been planned to discuss many aspects of federal-provincial relations, having to do with the development of resources and the improvement of social services. It was clear to everyone, I think, that broad discussions along these lines would be premature, to say the least. Indeed, the Prime Minister indicated that it might even become necessary to discuss with the Provinces the postponement of joint projects already agreed upon, where such postponement was possible, so as to relieve the pressure upon resources and man power.

It was decided, however, that two matters were urgent enough to merit immediate consideration—the renewal of the tax-rental agreements with the Provinces and old age security. As Minister of Finance I have a particular responsibility with regard to the tax agreements, and I shall confine my comments to that subject.

As you probably know, the Federal Government now has tax-rental agreements with eight provinces, that is, with all provinces except Ontario and Quebec. In return for exclusive use of the income, succession duty and corporation tax fields, the Federal Government makes certain rental payments to the Provinces.

These tax agreements have been so successful in underpinning the revenues of some of the provinces and in simplifying the tax structure, that the Federal Government decided to renew its offer. Some might argue that in time of such heavy demands upon the Treasury the agreements—which do involve substantial expenditures—should be allowed to lapse. These arguments were, in our minds, outweighed by the necessity of enabling the Provinces to maintain the essential services which they provide and preventing, if at all possible, destructive competition between the Federal and Provincial Governments in the field of direct taxes.

While we did not think it wise to abandon the tax agreements, neither did we think it to be in the public interest to make any changes which involved a material increase in their present cost to the Federal Treasury. Two important improvements were, however, offered. One of them involved a substantial increase in the irreducible minimum payment, proportional to the increase in national output and provincial population between 1942 and 1948. This will not mean larger payments now, but greater assurances to the provinces in the event of a recession.

The other improvement was to give recognition to recent changes in what might be termed the tax potential of the various provinces. The introduction of this new factor would involve larger payments than in the present agreement only for the province of Ontario. Not a surprising result, for the province of Ontario undoubtedly has a high income per capita, and hence a high tax potential per capita.

I do not know, nor shall I attempt to predict, how many provinces will accept the renewed offer of tax agreements. The decision is entirely with the Provincial Governments themselves. We in the Federal Government hope that every province will sign. But experience has shown that less than universal agreement is by no means a fatal defect. Whether they all do or not, I, for one, was heartened by the amicable and responsible way in which the representatives of the ten Provincial Governments sat around the table last week to discuss their financial relations with the Federal Government.

The general aim of the Federal Government, in its relations with the Provinces, is to promote economic stability and progress in all parts of the nation. While this is a constant objective, the content of federal-provincial programmes and arrangements must shift, from time to time, according to the economic climate. In 1945 the conference met to discuss how best to deal with the post-war problems of reconversion and reconstruction. At last week's conference there was a realization that the problem today is not how to maintain employment and incomes at a high level, but rather how to achieve economic stability in the face of demands that are bound to place a strain upon our capacity to produce.

May I now turn to a discussion of this more general problem of economic stability as it is affected by the impact of the world crisis and our own defence preparations?

The elements of the problem are not difficult to grasp. When the crisis came upon us, Canadians were, to all intents and purposes, fully employed. There was very little slack in the economy. In fact, even before it became necessary to contemplate major defence expenditures, there had been a resurgence in business activity which seemed likely to push employment and incomes to record levels.

It was clear that, unless rising defence expenditures were to result in competitive bidding-up of the general price level, it was necessary to embark promptly upon an effective anti-inflationary policy. Accordingly, the Federal Government undertook immediate action, designed to strike at the roots of the problem.

Our first responsibility was to ensure, so far as possible, that increased government expenditures did not in themselves result in an increase in the total flow of spendable income. This meant a balanced budget or, as it is sometimes called, a "pay-as-you-go" policy.

There are two obvious ways to go about balancing the budget. One is to reduce expenditures by eliminating waste and inefficiency and by curtailing services which are not absolutely essential under existing circumstances. The other is to raise additional revenues to meet the necessary expenditures. Needless to say these two methods are not mutually exclusive.

The people of this country are concerned, and properly so, that the Government should effect every possible economy in its operations so as to minimize the burden of taxation. May I assure you that no one is more concerned than the Minister of Finance, for I have the responsibility of presenting the tax programme to Parliament.

For many months the search for economies has been pressed forward in all directions, and I believe that substantial results are being achieved. Many projects, desirable in themselves but not absolutely essential and which were not already in hand, have been postponed; others have been curtailed. Operating economies are being effected all along the line. Even the smallest are not being neglected. While higher salary scales have been approved to bring Civil Service salaries into line with those in private business, this will be accompanied by an increase in working hours, thus making possible a reduction in the total number of employees in civilian departments.

The results may not be immediately apparent in the figures of expenditures, and they may be masked by inevitable increases in the departments associated with the defence effort. But I doubt whether at any time any Canadian Government has made a more determined effort for efficiency and economy.

As a result of these economies and the additional taxes imposed at the special session of Parliament last September, there is no doubt that revenues will fully cover expenditures during the present fiscal year. Indeed, the current figures indicate a healthy surplus, which is all to the good. Apart from the stabilizing effect of a budgetary surplus when inflationary pressures are growing, it is sound policy to be paying off the public debt when we can, in preparation for the time which may come when, whether we like it or not, deficits may be unavoidable.

This policy of "pay-as-you-go" will be followed to the limit of political and administrative feasibility. As I said in my "Baby Budget" Speech to Parliament in September, "to plan to do less than this would be both irresponsible and a fraud upon the public".

The Government recognizes, however, that while a "pay-as-you-go" policy is fundamental to a successful attack upon inflationary tendencies in the economy, it may not be all that is necessary. Even though additional spending by the Federal Government may be completely offset by additional revenues, the total level of demand may nevertheless increase because of the activities of individuals, business organizations and other governments.

For that reason these measures have been supplemented by other measures designed to restrain the level of demand in the civilian sector. I refer, for example, to the consumer credit regulations. These regulations are designed to reduce the extent to which individuals can anticipate their incomes to buy goods. The regulations have been in operation only for a month and a half and they are by no means drastic. But already the results are promising. Similarly, the Bank of Canada, through its open market operations, was able to offset what would otherwise have been strong inflationary forces in the security market arising from the recent influx of capital from the United States, and has recently raised its re-discount rate. In this connection I might also mention the policy being followed by the Central Mortgage and Housing Corporation of requiring higher down payments for the building of new houses. Within a few days an announcement will be made of stricter terms of lending under the Farm Improvement Loans Act. These tools of monetary policy and credit control must be used judiciously, but they have an obvious place in a developing anti-inflationary policy.

It has been recognized that the defence programme has an uneven impact. It will conflict more sharply, for example, with private capital investment than with consumer demand in general. Particular shortages are bound to appear from time to time. An anti-inflationary approach, designed to restrain total demand, may therefore have to be supplemented to a greater or less degree by more direct action to get at what might be termed the "bottlenecks". This was the primary purpose of the Essential Materials Act passed at the last session of Parliament. It enables the Government to put selective controls into effect at critical points and is a most useful aid, in fact, a vital part of any economic stabilization programme. The order issued a few days ago under the Essential Materials Act by my colleague, Mr. Howe, controlling the use of steel and prohibiting its use for non-essential purposes, is an excellent illustration of how it can be used.

There are some people, however, who are now urging the Government to move at once into a comprehensive system of price controls. The attitude of the Government towards this question has been stated on several occasions, but it might be well for me to restate it here.

The Government of Canada was the first Government in the democratic world to place an over-all ceiling on prices during World War II. This action was taken not as a result of political pressures or pressures from outside sources. We were not pushed into the price ceiling. We took the step deliberately—and to the surprise of most people—when events showed clearly that only by a comprehensive system of direct controls of prices, wages, production and distribution, coupled with a rigourous fiscal policy was it possible to maintain economic stability.

In this matter the Government therefore speaks from experience. We have reason to know the value of comprehensive price and wage controls. We have reason to know their limitations. We have reason to know the conditions necessary to their success.

The time may come when comprehensive direct controls are necessary but, as I said in my Budget Speech last September, they should be reserved for periods of great crisis. Under less severe conditions, comprehensive direct controls of prices, wages, production and distribution—and they are inseparable—are incompatible with a free society and a free economy. For comprehensive controls on prices and wages to be effective, the people must be prepared to accept willingly a huge and burdensome bureaucracy and a high degree of regimentation.

As the stage of total mobilization approaches, there comes a point when expenditures take so large a part of the national output that it is not humanly possible to cover them fully by taxation and direct savings. It is at this point that it becomes necessary to buttress fiscal measures by comprehensive direct controls. But does anyone seriously suggest that our present defence effort, even though large and growing, is yet of such dimensions in relation to our national output?

Nor, it must be borne in mind, are direct controls a substitute for a vigourous fiscal policy. On the contrary, their proper role is to support and buttress fiscal and monetary policy. The direct controls cannot carry much of the load by themselves, otherwise they are bound to collapse.

One last point, and I say this without any implication that Ottawa is bound to follow Washington in these matters, Canadian prices cannot be effectively insulated for any long period of time from prices across the line. One of the chief reasons why we in Canada were able to hold the price ceiling so effectively during World War II was

Christmas Meeting, 1950: Upper—St. Simon's Church Choir singing the traditional music. Lower—Mr. Justice Kieller Mackay addresses the meeting.

that the United States followed policies silimar to our own. And when price controls were removed abruptly in the United States at the end of the war it was only by dint of extraordinary efforts and large expenditures on subsidies that we in Canada managed to follow a policy of orderly decontrol.

All of us are watching with great concern the developing international situation. Like the rest of the world and perhaps with even greater interest than other peoples, we Canadians are watching the course of events in the United States. For the United States is not only a powerful friend and ally but also our largest customer and largest source of supply.

According to the newspapers, President Truman is expected to make an important statement of policy within the next few days which may relate to some of the matters about which I have been speaking. Whatever is done by the United States Government in the field of economic policy cannot help but affect our position in Canada to some degree at least. It cannot, however, alter the necessity of proceeding as we in Canada have been doing to strike at the roots of the inflationary problem by appropriate fiscal and monetary policy, supplemented by such direct controls as become necessary and feasible.

I might sum up the position in this way. The Canadian Government is determined to fight inflation by the only method that can ultimately succeed, namely, by vigourous fiscal and monetary measures. It is prepared to use direct controls on a selective basis and is now doing so. It will use such controls on a comprehensive basis should that become necessary. The Government, however, does not wish to use over-all direct controls unless they are necessary and will be effective, nor does it believe that such direct controls can, by themselves, stop inflation.

VOTE OF THANKS, moved by The Third Vice-President, Brig. Colin Campbell.

“SHAKESPEARE AND THE BIBLE”

An Address By

THE HON. J. KEILLER MACKAY, D.S.O.

A Justice of Appeal for Ontario

Thursday, December 21, 1950

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: We are to have a special treat to-day—an Address by the Hon. Mr. Justice J. Keiller Mackay, D.S.O. His Lordship was born at Plainfield, Pictou County, Nova Scotia. He attended Pictou Academy and later received his Bachelor of Arts Degree from St. Francis Xavier University in Antigonish. He then studied law at the famous Dalhousie University being called to the Bar of Nova Scotia in 1922. In 1923 he was called to the Bar of Ontario, and in 1933 was created a King's Counsel. In 1935 he was appointed Justice of the Supreme Court of Ontario. His Lordship became Justice of the Court of Appeal of Ontario in 1949. His Lordship had a brilliant record of military service in the First World War. He was promoted to the rank of Lieut.-Col. in the Field. He was awarded the Distinguished Service Order, and mentioned in Despatches three times. His Lordship is well-known as one of our most gallant, charming, and learned citizens. Perhaps he will forgive me if I recall to those who attend the great St. Andrew's Ball each year the dashing kilted figure of His Lordship, and his charming lady, leading the reels. The Hon. Mr. Justice Keiller Mackay is a leading Member of the Shakespeare Society of Toronto, and will now speak to us on “Shakespeare and the Bible”.

MR. JUSTICE MACKAY: Once — and only once —in the history of a people there comes a divine moment when its speech seems to those who write it a new-found wonder. A time in its development before it has become rigid, precise and inelastic. History records that it is then that one supreme genius appears — Homer, Virgil, Dante, Shakespeare. And, extraordinary as it may be, no form of language seems rich enough to provide material for more than a single poet of such exalted rank. Shakespeare found English, according to the reply of Sebastian in The Tempest, "a sleepy language", and left it probably the most expressive, the most convenient, and exact means of transmitting thoughts known to mankind. To bring about this transformation he collected words from everywhere. There were the rich vocabularies of the law and theology which he freely pillaged. And from Chaucer, from translators of the classics, from old books, and from innkeepers and tradesmen, he found material which he constructed into chaste and dignified language. In addition to these native sources, new words were reaching England—such as alligator, cannibal and hurricane from the West Indies; and such words as paragon, artist, sonnet, stanza, conversation, cavalier, courtezan, from Italy. Into this wild ocean of words Shakespeare plunged with dolphin joy. And by the magic splendour of his creative power developed a wealth and mastery of expression at once the richest, most subtle, most flexible, most rhetorical, poetic and imaginative ever to fall on the ears of mortal men. The ordinary man or woman has collected as a means of transmitting thoughts, a vocabulary of about 2,500 words. John Milton, whom history records as its most completely educated man, wrote over 8,000. Shakespeare used 21,000.

May I hasten to say that I am not a Shakespearean scholar,—a student perhaps. Would that I could say, with some of my friends, that no day has passed without reading from one or other of his works. I have given what little time I could spare to this glorious pre-occupation, and I have found not illusion but on the other hand a richer and more profound appreciation of life.

Youth is the time for adventure of the body but more mature age for the triumphs of the mind, and no triumph of the mind can be greater than that of reaching in thought a peak of speculation and grasping something so vast, so complex and so profound as that which the phenomenon we call Shakespeare presents.

It is true Shakespeare's meaning here and there may be involved in seemingly impenetrable haze. One must read, re-read and reflect, enriching one's impressions from all available sources, thereby observing much fascinating detail which had hitherto entirely escaped one's notice. How many vistas of incomparable gradeur remain unseen by the unguided traveller. How many beauties we fail to uncover if we refuse to read books written about them. How far the commendation of someone we admire has opened the gate into a new world of beauty.

It is then and only then that one is conscious of and impressed by Shakespeare's many references to Holy Writ. Is it too much to say that substantially he drew his unparalleled inspiration from that source of bounteous, overflowing, limitless grace, recorded in God's unspeakable gift to those He created in His own image and into whose nostrils He breathed the breath of eternal life?

There are three ways by which one may estimate the scope and extent of Shakespeare's knowledge and use of Holy Scripture.

First, the frequent references which he made in his plays to the facts and characters recorded in the Holy Bible.

Secondly, the quality and colouring which pervade his moral and religious principles and expressions.

And thirdly, the poetical thought and imagery taken directly from Holy Writ and used to guide and assist him in his immortal productions.

I should be far from saying that Shakespeare's intimate acquaintance with Scripture has escaped the notice of his many commentators—such is not the case—but I say that he has not been given the credit he deserves as one deeply conversant with Bible truths: a diligent and devout reader of its unsearchable riches, which germinating in his own soul brought forth fruit—immortal fruit to the glory of God and for the healing of the nations.

Whatever shortcomings and defects that may be attributed to the first Scottish sovereign to sit on the throne of the United Countries, it is only fair to say that we owe to him the completed translation of the Bible. James I gave special command for the publication of the Scriptures in revised form, which Shakespeare and his contemporaries were the first to read.

Here we may pause to examine a few of our poet's references to the historical facts and characters of the Bible.

In Genesis II, 15, we read our first parents had been "put into the garden of Eden to dress it and to keep it." In Richard II, the Queen overheard the King's deposition being discussed by the gardener: she thus addresses him:—

Thou, old Adam's likeness, set to dress this garden,
How dares thy harsh-rude tongue sound this unpleasing news?
What Eve, what serpent, hath suggested thee
To make a second fall of cursed man?
Why dost thou say King Richard is depos'd?

King Richard II, Act III, Sc. 4.

Claudius, recalling history's first recorded murder—that of Abel by Cain—and goaded likewise by a conscience, traced in fratricidal blood, he is driven to prayer,—

O, my offence is rank, it smells to heaven;
It hath the primal eldest curse upon 't,—
A brother's murder!—

Hamlet, Act III, Sc. 3.

Prince Henry, who before his father's death was a wild and wayward youth, caused his father much concern. On assuming the crown as Henry V he became at once a model of kingly courage, and dignity. Note the words Shakespeare puts into the mouth of the Archbishop of Canterbury referable to Henry's transformation:

The breath no sooner left his father's body,
But that his wildness, mortified in him,
Seemed to die too: yea, at that very moment,

Consideration like an angel came
And whipp'd the offending Adam out of him;
Leaving his body as a paradise,
To envelop and contain celestial spirits.
King Henry V, Act I, Sc. I.

Doubtless you will recall the story of Jacob and Laban who had an altercation over the division of their flocks. Jacob proposed that he should take all the spotted cattle, sheep and goats as his hire, and leave those that were of one colour to Laban. To this Laban agreed; whereupon the ingenious and resourceful Jacob—peeled certain wands and put them in the watering troughs, which caused spots to appear in the drinking troughs of the flocks, with the result that the picture thus made transmitted itself to the unborn young of the flocks, and in a short time Jacob had all.

Genesis XXX.

In the Merchant of Venice, Act I, Sc. 3, Shylock, justifying his thrift, says to Antonio:

Shylock: When Jacob grazed his uncle Laban's Sheep,
This Jacob from our holy Abraham was
(As his wise mother wrought in his behalf)
The third possessor—aye, he was the third.
Antonio: And what of him? Dide he take interest?
Shylock: No, not take interest; not, as you would say
Directly, interest; mark what Jacob did.
When Laban and himself were compromised.
That all the eanlings which were streak'd and pied,
Should fall as Jacob's share, ...
The skilful shepherd peeled me certain wands,
And stuck them up before the fulsome ewes,
Who, then conceiving, did in eaning time
Fall party-coloured lambs, and those were Jacob's.
This was a way to thrive, and he was blest;
And thrift is blessing, if men steal it not.
Antonio: This was a venture, Sir, that Jacob served for;
A thing not in his power to bring to pass,

But sway'd and fashion'd by the hand of
Heaven.
Was this inserted to make interest good?
Or is your gold and silver, ewes and rams?

And in Act I, Sc. 3 of the same play referable to hypocrisy:

The devil can cite Scripture for his purpose.
An evil soul producing holy witness,
Is like a villain with a smiling cheek;
A goodly apple rotten to the heart;
O, what a goodly outside falsehood hath!
Act I, Sc. 3.

In the line

'The devil can cite Scripture for his purpose.'

there is evidently an allusion to the history of our Lord's temptation, as recorded in Matthew IV and Luke IV. And again capitalizing Hypocracy the tribute which vice pays to virtue, the villian Gloster, later Richard III, says:

But then I sigh, and with a piece of Scripture,
Tell them that God bids us do good for evil:
And then I clothe my naked villainy
With old odd ends stolen forth of Holy Writ,
And seem a saint, when most I play the devil..
Act I, Sc. 3.

Later, In Henry VI, (Part II), Shakespeare uses the touching language of Jacob when he refused to allow Benjamin to be carried into Egypt:—

"If mischief befall him by the way in which ye go, then shall ye bring down my gray hairs with sorrow to the grave."

Genesis XLII, 38.

Let us see how this pathetic passage has been turned to account where Humphrey, Duke of Gloster, after the condemnation of his Duchess Eleanor for treason, thus speaks:—

Mine eyes are full of tears, my heart of grief:
Ah! Humphrey, this dishonour in thine age
Will bring thy head with sorrow to the ground.

An interesting reference to an incident in the early history of the Israelites is seen in Henry V, where the

King asks the Archbishop of Canterbury the question:

"May I with right and conscience make this claim?"

i.e. the claim to the Kingdom of France, which Henry V was making through Edward III, whose mother was a daughter of King Philip of France. The question was whether Henry V was bound by the operation of the law Salic which forbade the accession of a woman to the crown. To this inquiry of his sovereign, the Archbishop of Canterbury answers:

The sin upon my head, dread sovereign!
For in the Book of Numbers it is writ,
When the son dies, let the inheritance
Descend unto the daughter.

Act I, Sc. 2.

There are many references to Jephthah's slaying of his daughter in fulfilment of a rash vow which he made that he would sacrifice the first person of his own house whom he met on his return. His daughter—his only child—met him with joy and mirth. Jephthah cruelly brought into execution the unnatural and indefensible act.

Judges XI, 30-40.

In Henry VI (Part III) Shakespeare puts the following words into the mouth of Clarence:—

Why, trow'st thou, Warwick,
That Clarence is so harsh, so blunt, unnatural,
To bend the fatal instruments of war
Against his brother, and his lawful king?
Perhaps, thou wilt object my holy oath:
To keep that oath, were more impiety
Than Jephthah's when he sacrificed his daughter.

Act V, Sc. 1.

In Henry VI (Part (II), Act V, Sc. 1, Shakespeare justifies the disregard of an unlawful ungodly oath:—

K. Henry. Hast thou not sworn allegiance unto me?
Salisbury. I have.
K. Henry. Canst thou dispense with Heaven for such an oath?
Salisbury. It is great sin, to swear unto a sin;
But greater sin to keep a sinful oath.
Who can be bound by any solemn vow
To do a murderous deed, to rob a man,

To force a spotless virgin's chastity,
To reave the orphan of his patrimony,
To wring the widow from her custom'd right,
And have no other reason for this wrong.
But that he was bound by a solemn oath?

In the final scene in Henry VIII our poet's allusion to Queen Elizabeth and King James I shows a remarkable knowledge of Holy Scripture. Note the words he puts into the mouth of Archbishop Cranmer referable to the visit of the Queen of Sheba to King Solomon: 1 Kings X. 2 Chronicles IX, and Matthew XII, 42.

This royal infant (heaven still move about her!)
Tho' in her cradle, yet now promises
Upon this land a thousand thousand blessings,
Which time shall bring to ripeness: she shall be
A pattern to all princes living with her,
And all that shall succeed. Sheba was never
More covetous of wisdom, and fair virtue,
Than this pure soul shall be . . . .
She shall be loved and fear'd: her own shall bless her;
Her foes shake like a field of beaten corn,
And hang their heads with sorrow: good grows with her.
In her days, every man shall eat with safety
Under his own vine, what he plants; and sing
The merry songs of peace to all his neighbours.
God shall be truly known.

And of James I, in the same prophetic strain:—

Wherever the bright sun of heaven shall shine,
His honor and the greatness of this name
Shall be, and make new nations: he shall flourish,
And, like the mountain cedar, reach his branches
To all the plains about him. Our children's children
Shall see this, and bless heaven.
Act V, Sc. 4.

The true test of genius is the impression made on the thinking mind by the lines when they are heard. If they trasport the soul and exalt the thoughts, if they become more grand and lofty the oftener they are heard, they may well be pronounced noble and sublime. Measured by this standard, Shakespeare's place as the intellectual monarch of the world is, at once and forever, commanding and secure—yes the acknowledged supreme ruler of the Kingdom of the Mind.

And finally, in attempting to measure his unfathomable brain, and trying to express the idea that my intellect conceives, I find my tongue a weak interpreter and I seek and find refuge once again in Shakespeare, in the words of Cleopatra in her portrait of Antony:—

For his bounty,
There was no winter in 't; and autumn 'twas
That grew the more by reaping:

Antony and Cleopatra, Act V, Sc. 2.

And in Shakespear's further exquisite delineation in King John:

To gild refined gold, to paint the lily,
To throw a perfume on the violet,
To smooth the ice, or add another hue
Unto the rainbow, or with taper-light
Too seek the beauteous eyes of heaven to garnish,
Is wasteful and ridiculous excess.

Act IV, Sc. 2.

My final quotation is from Ben Jonson. It will be remembered that Shakespeare is not buried beside many of the nationals immortals in Westminster Abbey, but under the chancel of the beautiful parish church at Stratford-on-Avon. Here is Ben Jonson's tribute:

"Soul of the age!
The applause! delight! the wonder of our stage!
My Shakespeare, rise! I will not lodge thee by
Chaucer, or Spenser, or bid Beaumont lie
A little further off, to make thee room:
Thou art a monument without a tomb.
And art alive still, while thy book doth live,
And we have wits to read, and praise to give.
Triumph, my Britain, thou hast one to show,
To whom all scenes of Europe homage owe.
He was not of an age but for all time."

VOTE OF THANKS, moved by Past President Eason Humphries.

"ESSENTIALS FOR LABOUR PEACE"

An Address By

CHARLES ERWIN WILSON
President, General Motor Corporation

Thursday, January 4, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and guests of The Empire Club of Canada: Since many of us came into this Hotel one hour ago the General Motors Corp. has produced 2,000 cars, trucks, and busses in its manufacturing and assembly plants in the United States and Canada and 23 other countries including, in the Empire, England, Australia, New Zealand, India, Pakistan and Africa. In its great plant at Oshawa 33 cars and trucks have been completed durin the last hour, all of this in addition to the planes, motors, locomotives, refrigerators, accessories, home appliances, and other auxiliary products which have been coming off G.M. assembly lines steadily. At the same time research projects and defence planning have continued at an accelerated pace. We, in Canada, regard ourselves as senior partners in this great enterprise whose 4 Canadian operating divisions have been substantially expanded in recent years.

In this week's issue of "Life" magazine the General Motors Corp. is described as the biggest, most successful, and most profitable manufacturing enterprise in the history of man, which achieved its commanding position by far-sighted policies, a broad research programme, an increasingly enlightened labour policy, and a sharp insistence on manufacturing efficiency and soundness of product. "Life" continues in characteristic style to point out that G.M. can deliver so intricate a package of labour and metal as a Chevrolet Sedan for 40 cents a pound, while a pound of hamburger costs 69 cents . . . and I understand that hamburger is the more likely of the two to increase in price!

In paying this well deserved tribute to General Motors we in fact recognize the whole automotive industry, which in Peace and in War is essential to our economy; which stands as a symbol of the production of real wealth in terms of goods and services, produced by the intelligence, integrity and skill of a free people working under a free enterprise system; which has created the high standard of living that we enjoy, and can be the means of protecting and ensuring our way of life.

We are particularly honored this afternoon to have as our guest the President of General Motors Corp., Mr. Charles E. Wilson. Mr. Wilson of all people can certainly be described as a "self-starter" and needs little introduction. However, for the purpose of our Year Book, which goes to all our Members and contains a full transcript of all our Talks, I would say that Mr. Wilson graduated in Engineering from the Carnegie Institute of Technology in Pittsburg at the age of 19, and immediately went to work with the Westinghouse Company. Shortly afterwards he designed the first automobile starting motors made by Westinghouse. Later Mr. Wilson joined one of the divisions of General Motors as Chief Engineer, eventually becoming General Manager of the Delco Division. He then went to Detroit as the Vice-President of the Corporation, and was primarily responsible for their great expansion in the early 30's. This included the purchase of McKinnon Industries at St. Catherines, Ontario, and considerable development and expansion in General Motors of Canada at Oshawa, and latterly in Toronto and London.

During the War years Mr. Wilson became President of the Corporation, and it was under his inspiring and indefatigable leadership that General Motors produced an irresistible volume of armament. At V-E Day G.M. was producing materials of war at a rate of ten million dollars' worth per day.

In addition to achievement as a brilliant Engineer, Industrialist and Financier, Mr. Wilson has received universal recognition for his broad concept of the social responsibilities of business, for his contribution and enlightened thinking and leadership in the field of labour relations and industrial peace.

It is now my privilege to present Mr. Charles Wilson, the President of the General Motors Corporation, who will address this meeting of The Empire Club of Canada on the subject: "Essentials for Labor Peace".

MR. WILSON: I wish to express my very real appreciation of your invitation to speak to you today. I would also like to take this opportunity to express our appreciation for the wonderful co-operation we in General Motors have had from the business men of Toronto and of others throughout all Ontario and Canada.

While I am not a frequent visitor in your city, I am always impressed by it and the development of Canada which it symbolizes. Toronto, I understand, is growing very rapidly and is getting to be one of the finest of the larger cities on the North American continent. Furthermore, the spirit of enterprise which had its first intellectual development in England has especially flourished here as well as throughout all of Canada, while the same spirit has become less virile in the land of its origin. As a result, your country is continuing to post new records of progress year after year. Your future is still before you. Your land is a vast storehouse of mineral and agricultural wealth awaiting further development for the benefit of mankind. It potentialities are magnificent.

The degree of dependence of the United States on your resources is frequently overlooked. For example, Canada is the source of virtually all of our nickel and most of our newsprint, of much of our zinc and of some of our iron ore, with the promise of a great deal more iron ore when the Labrador development is completed.

We in General Motors have great confidence in Canada, both in the present and for the future. We are conscious of the relatively rapid increase of population over here. We are even more conscious of the economic improvement in Canada, and of the political, social and spiritual background that has made this possible. We know that the people of Canada are independent, freedom-loving folks who are willing to work for the things they would like to have. Canada has great natural resources, and its people have the spirit and ability to develop them. Our expanding Canadian operations are concrete evidence of General Motors confidence in Canada.

We completed our locomotive plant in London, Ontario, early this year. We recently decided to build a 500,000 square-foot plant for Frigidaire Products of Canada, Ltd., on a 70-acre tract in Scarboro Township adjacent to Toronto. The Frigidaire plant, as many of you know, is now at Leaside. It is expected that this plant will continue to operate after the new one is built. Six new buildings have been completed or are under construction by General Motors of Canada, Ltd., including large warehouses at Montreal, Vancouver and Edmonton. Other construction will be started shortly by General Motors of Canada, Ltd., at Oshawa. This new construction and expansion will permit resumption of Buick production in Canada beginning with the 1951 models. A new plant providing approximately 135,000 square feet of floor space located on a new 300-acre tract will be built at St. Catherines, Ontario, by McKinnon Industries, Ltd., for the output of automotive parts and accessories. Engine and parts production was also expanded at Windsor. The total capital expenditures for buildings and facilities amounted to $13,270,00 for the year 1950, and contemplated expenditures for 1951 amount to $17,280,000. These new facilities, when they are all completed, will importantly expand our employment in Canada.

This increased capacity to produce cars, trucks, household appliances and locomotives, together with the facilities necessary to balance and expand the output of parts and accessories, are necessary to meet the increased customer demand resulting from the growth of the Dominion, both in population and living standards.

Last August we celebrated the opening of our new diesel locomotive plant at London and the completion of the first Canadian-built General Motors diesel locomotive. This plant produced ten locomotive units in December and now employs 850 people. The Diesel electrification of the railways in the United States is about 50% completed. The railroads that have purchased this new locomotive power have found that it has improved their operating schedules, reduced their cost of operation and helped them out in many kinds of ways. You can almost list the railroads in the United States in the order in which they adopted diesel locomotives by looking at their financial statements. Those that are in good financial shape adopted diesels early, but those that were a little slow in getting around to it have less favourable balance sheets. We are sure that the railroads of Canada will profit even more by diesel power than our railroads have in the United States. We believe this is because the distances are relatively greater over here and the weather in the wintertime more severe. Diesel locomotivs really show up to best advantage when it is cold and the going is a little tough.

We think that, with the development of your wonderful oil fields in Western Canada, you will be able to produce your diesel fuel requirements. I understand that Canada now imports each year thirty-seven or thirty-eight million dollars worth of coal from the States for its locomotives. I have nothing against that or the coal industry, but from the Canadian point of view, I think you will find that it is helpful not to have to dig up that many more American dollars.

The business and social relations between our two countries are very close. We have a common ethical and religious background. We understand each other better perhaps than do the people of any other two nations in the world. The citizens of our countries enjoy great personal freedom, and as compared to the citizens of most other nations, are very progressive and prosperous.

Why are the people of Canada and the United States so much better off than the people in the rest of the world?

Our high standards of living cannot be explained on the grounds of great natural resources, important as they are. Others, too, have great natural resources. Nor, can it be explained by claims of racial superiority. We have a common racial background with many other nations, since most of our ancestors came from Europe. We must look elsewhere for the answer to our important question.

For more than 150 years free men in our countries have had the opportunities to educate themselves, choose their own religions, select their own occupations, accumulate capital and invent better ways of doing things. The reason the people of our countries are relatively more prosperous results from the simple fact *that, by accepting the challenge of individual competition as a responsibility that comes with personal freedom, we have done a better job of applying our human energy and individual initiative to the improvement, not only of ourselves, but of all.*

Our political systems that permit and promote individual enterprise, personal responsibility, free competition, respect for the rights of others, freedom of choice and decision, freedom itself, are the final and important factors that make the difference between our countries and others. In my fifty years of experience and memory, I have seen the most amazing increase in the standard of living of a people ever achieved anywhere in the world. This is why I am so sure that our system of free competition and industrial development is sound and must be preserved.

I do not know how anyone who had witnessed all of these developments, starting with the great improvements in modern plumbing and electric lights and followed by the automobile, airplane, household appliances, radio and television, the things that have added so much to our standard of living both in cities and on farms, can believe that our free enterprise system is fundamentally wrong.

Nor do I understand how anyone can feel that industrial progress has been made at the expense of social values. Look at our churches, colleges, schools, hospitals, theatres, art centres and recreation parks. No one should suffer from the great delusion that any form of communism or socialism which promotes the dictatorship of the few instead of the initiative of the millions can produce a happier or more prosperous society.

To continue this marvellous progress labour and management must work together. Solutions for the problems of industry must be found consistent with the basic principles on which our countries were founded.

We in General Motors hope that our recent labour agreements amount to fundamental progress in this direction. Our thinking behind these agreements is that we want all jobs in General Motors to be good jobs. We want our employees to want to work for General Motors; we want their willing co-operation. Only in that way can we continue to make the kind of progress we have made in the past and build quality products for our customers. On this last depends the progress of everyone connected with the business—stockholders, dealers, suppliers, as well as employees and the unions.

Our recent 5-year labour agreements, in Canada as well as the United States, are based upon experience, logic and principle rather than on pressure, propaganda and force. The principles are important, can be applied generally, and, we believe, are essential to labour peace. They are:

1. That it is logical, fair and reasonable to maintain the purchasing power of an hour's work in terms of goods and services the employee must purchase in his daily living. There may be some backward countries where the mass of the people are on a subsistence level and where, as an aftermath of wars or partial crop failures, the standard of living has to be drastically reduced, but this certainly is not the case in our prosperous nations.

2. That all of us look forward to improving our condition, and that workmen along with other citizens are entitled to share in the advancing prosperity of the nation. If workmen are denied any increase in real wages and they can look forward only to a better standard of living through reduction of prices, progress for them is terribly slow, and they become impatient and dissatisfied. Furthermore, there is no good ethical or economic reason for asking workmen and current producers to forego all eco-

nomic gain in order to increase the purchasing power of all the wealth accumulated in past years.

3. That productivity is the only road to an economy of plenty. That the way to achieve higher standards of living for all is through science and technology, taking advantage of better tools, methods and organization. That machines are the friends of man, and that to produce more with the same amount of human effort is a sound economic and social objective that discards the false philosophy of made work, featherbedding and the erroneous idea that machines take the bread out of the workmen's mouths.

4. That insecurity worries people and that it was reasonable for General Motors to assist employees in acquiring life insurance, sickness and accident benefits, hospitalization and surgical coverage and pensions to protect them to the degree possible against the individual hazards of life.

5. That co-operation and peace rather than industrial strife and strikes will best promote the prosperity of the employees, the company and all of the people and even strengthen the nation.

Many people do not realize that where unions have bargaining rights employers cannot raise wages or improve benefit plans any more than they can reduce them without of the consent of the union. As a result, the impression is created that improvement in wages, working conditions and benefit plans are brought about year by year only as a result of union pressure.

Unfortunately, in collective bargaining one party or the other too often tries to gain an advantage—a bargain, like buying something in a store for less than it is worth. The only sound approach to collective bargaining is to work out an agreement that clarifies the rights and responsibilities of the parties, establishes principles and operates to the advantage of all concerned.

The cost-of-living formula in our Canadian agreements by which wages are adjusted each three months in line with changes in the Dominion Bureau of Statistics Cost of Living Index is an application in Canada of the same principle used in our 1948 and 1950 agreements in the

United States, applied in the same way. This provision protects our employees against inflation and to some extent protects the Corporation against deflation. In itself it is neither inflationary nor deflationary. It simply adjusts the wages of our employees to what inflationary pressures have forced on the national economy. Inflation depends upon money supply, the tax and other fiscal policies of governments, credit policies of banks and finance companies, tariffs and subsidies, lack of production created by wars, strikes, export policies, speculation, stockpiling and hoarding, or partial crop failures, little of which can be controlled or even directly influenced by the Corporation or its employees in either of our countries.

A study of the history of wages back through the years indicates clearly that when the cost-of-living rises appreciably wages have shortly been adjusted upward also. As a matter of fact, through the years wages on the average have risen faster than the cost-of-living. However, where there are organized groups and frozen wage contracts are involved, crises are always created if the cost-of-living rises rapidly during the period of such a contract. Under such circumstances dissatisfaction and unrest mounts, efficiency declines and a big issue develops when the contract expires. In such situations, wages are adjusted by pressure bargaining with a great deal of antagonism created in the process, frequently resulting in bitter strikes. No one should be so naive as to think that wages among organized groups will not be increased, under pressure if necessary, to make up for increases in the cost-of-living, nor should anyone ordinarily object to such adjustments. Our formula is designed to accomplish this necessary adjustment smoothly and in a manner which avoids the friction inherent in the old method. We find that this method of adjusting wages in line with the cost-of-living appeals greatly to our employees.

The annual improvement factor, which is 3 cents per hour in our Canadian agreements, is between 2% and 2½% of average wages. This rate of improvement is somewhat less than manufacturers in Canada and the

United States have been able to achieve on the average in the last fifty years. Furthermore, fifty years ago the standard work week was sixty hours. It has been gradually reduced in both Canada and the United States, and workmen have acquired more leisure time as well as more real wages with which to enjoy the leisure.

The annual improvement in real wages that we have subscribed to is about what we think is the average improvement that can and should be made. Of course, we hope to make more than 2 or 2½% annual improvement in our operations so that in addition to raising real wages, we can continue our policy of improving our products and giving the public more for their money year by year. Small businesses have just as great an opportunity to improve their efficiency and their operations and take advantage of modern knowledge and technology as large businesses have.

This principle of annual improvement in real wages based on technology we also hold to be neither inflationary nor deflationary. It does share promptly with workmen part of the fruits of technology. Unit costs are not increased when productivity increases at least as fast as hourly wages. Therefore, no price increase should result from such wage increases. On the other hand, the purchasing power of a dollar would tend to be stabilized instead of increased as would be the case if wages were held down and prices reduced and there were no inflationary pressures.

Costs of manufactured articles importantly depend on the cost of raw materials as well as labour. The prices of raw materials do not fluctuate directly with the labour cost of producing them. Witness the recent price increases in non-ferrous metals, cotton, wool and rubber, which have risen, not 2½% or 5%, but from 25% to 200%.

To quote one of the important paragraphs of our labour agreements:

"The annual improvement factor provided herein recognizes that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment and a co-operative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective."

We believe that full acceptance by both parties that higher living standards depend upon technological advancements, mechanical power and better machines, and the co-operative attitude of all parties in such progress, is a very significant step ahead in labour-management relations. It is full recognition that productivity is the key to progress.

The benefits of technology in raising the standard of living of a country can be dissipated through strikes, work restrictions, featherbedding, absenteeism, excessive military expenditures, inefficient government, or an artificially short work week. If the people really understand this principle of progress through technology and are willing to work for the things they would like to have just as they have been willing to do in the past, I have no worries about either of our countries being able to stand the cost of pensions, insurance and high wages, and even a reasonable rearmament program.

Both the insurance package and the pension plan were worked out in order to assist employees in protecting themselves against the individual hazards of life. Many people forget how hard it is for the average workman to save money for a rainy day or for his old age. We have millions of salesmen abroad in our land trying to entice these same workmen and their wives to spend every last dollar they can get their hands on and go in debt besides. It is important that the nation's workmen should spend for what they need or feel they should have and still have reasonable security. Basically they are customers as well as the producers. In a progressive and prosperous society such as exists in Canada and the United States, a diminishing portion of national income is spent for subsistence living. The balance is spent for other things that make up a higher standard of living. The purchase and hence the production of these other things depend on the desire, the confidence and the ability to buy.

We put a great deal of value on the non-economic provisions of our agreements. They are very important in maintaining efficiency and order in our plants and avoiding misunderstandings and work stoppages. They provide for the establishment of fair work standards and for fair treatment of employees. They recognize the basic principle that all individuals have a right to a hearing over any grievances they may have regarding their work.

We received many letters concerning our first 5-year agreement made last May—most of them favourable. I would like to read one to you:

> "As the wife of one of your employees, I am writing to thank you for the wonderful thing you have done. I am glad you realize men don't want to strike—and that they do have to provide for their families, and that insecurity worries people. My husband said the next day after the good news the men were happy and worked hard and well."

All of the workmen in our plants understood the wage formula at once and were highly pleased since they understand money as a medium of exchange. Many employers and financial people did not seem to understand the agreement so well. Many of those were skeptical of our fair wage determination formula two-and-a-half years ago have decided that it is probably a pretty good plan since they have observed how well it worked.

The question has been raised as to whether these five-year contracts, providing for increasing or decreasing wage rates every three months in line with the change in the cost-of-living and providing an annual improvement factor are sound in a period where our nations will have to make substantial and even huge expenditures for military materials. We believe they are. If workmen as well as all other citizens have to temporarily accept some reduction in their living standards, they will do so more willingly if their nation's necessities in the form of taxation force them to do so than they would if they were forced to the same condition by employers holding down their wages.

We recognize the difficulties inherent in stabilizing the cost of food, clothing and shelter—the basic cost-of-living items—but it must be done in order to remove the pressures for wage adjustments. If it is done, the cost-of-living provision for wage adjustments in our labour contracts is no problem. If the cost of living cannot be completely stabilized and should continue to creep upward, we still believe that our agreements provide the best solution for the problem.

The details of our five-year labour agreements and the factual data we developed in analyzing the problem of how to determine fair wages are too voluminous for me to present to you today. If any of you wish copies of our labour agreements, you may obtain it by writing to Mr. William Wecker, President of General Motors of Canada, Ltd., Oshawa.

Most people think of General Motors labour relations as being relations with the Auto Workers, because the UAW-CIO represents more General Motors employees in the U.S. and Canada than all the other unions and because the first five-year agreement was negotiated with them. As a matter of fact, in the U.S. we have in all over 100 different labour agreements covering some 225 bargaining units. Our Personnel Staff has now completed five-year contracts with all of them and with all the bargaining units in Canada, except the new one at G.M. Diesel, Ltd., in London, where such a contract is in the process of negotiation. This could not have been done unless the employees were convinced that this type of five-year contract is fair and desirable, for in many cases the union leaders we were dealing with were quite skeptical to begin with and until they checked with the membership.

Our workmen want industrial peace on the home front just as they want international peace. Good citizens, in both Canada and the United States, cannot accept the philosophy of class conflict as the best way to make social and economic porgress.

Certainly General Motors believes in free enterprise, in producing more and better things for more people and in serving its customers well. It also believes in fair treatment of its employees and holds that this is not in conflict with treating customers right. And business large or small that expects to show good profits should expect to earn them through efficiency and progress. We in General Motors believe in the double profit system—a profit for the customer in increased value and a manufacturing and merchandising profit for ourselves when we do our job well.

We do not expect our labour agreements to set a pattern of so many cents per hour or of so many dollars a month in the form of a pension nor in the form of certain insurance benefits intended to improve the health of the worker and his family. It is our hope that these agreements will set a pattern for bargaining based on principles that are fair to all, that minimize industrial strife and that will promote industrial peace and properity not only for General Motors and its employees but for all people of our two countries.

VOTE OF THANKS, moved by The First Vice-President, Mr. Warren Hastings.

"DEMOCRACY AND THE LEGISLATIVE PROCESS"

An Address By

WAYNE MORSE
United States Senator for Oregon

Thursday, January 11, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by United States Senator Wayne Morse, of Oregon. Born on a Wisconsin farm, of New England Yankee ancestry, Senator Morse graduated in Arts, from the University of Wisconsin and obtained his Law Degree from the University of Minnesota. He has since received honorary degrees from Cornell College, Iowa; Drake University; and Columbia University.

In 1945 after twenty years of teaching, Senator Morse left the University of Oregan where he was Dean of the School of Law to win election to the Senate of the United States, representing the Republican Party. Since that time every poll of the Washington newspaper correspondents has rated him in the first ten among influential members of the Senate. In 1948 and again in 1949 Collier's Magazine named Senator Morse among the five outstanding Senators. Described as dynamic, hard-hitting, completely frank, and outspoken in everything he does, Senator Morse has gained national stature by always having the courage of his convictions in the face of political expediency. His political philosophy has been described as sane liberalist, with a small "l" of course. A Member of the Senate Committee on Armed Services he led the fight against those who urged that Alaska and the North West be sacrificed as expendable. He urged economic and military aid to Korea, and the preparedness of a seventy group Air Force. Senator Morse is also a Member of the Senate Committee on Labour and Public Welfare, and has opposed the Taft-Hartly Act as unfair to Labour; but he has been equally opposed to the Wagner Act as unfair to employers. He has denounced socialized Medicine as a tool of National Socialism, at the same time urging reforms and better medical services to more people at less cost. It is now my pleasure to introduce Senator Wayne Morse who will speak on the subject: "Democracy and the Legislative Process".

SENATOR MORSE: Mr. Chairman, Members of The Empire Club, and Guests: It is a signal honor to address this distinguished group. I am more than flattered by the invitation and by the kind remarks of your Chairman.

I want to say, on the basis of the great issues that appeared in the Senate at the last Session—I feel I am among friends so I can speak to you—even from the standpoint of some of the great issues—I refer, of course, to the great St. Lawrence Waterway, which I intend again at this next session of Congress to see what we can do in bringing about the completion of the St. Lawrence Waterway, which I consider a great link in national defence.

Since I am a United States Senator from the State of Oregon and since my subject is "Democracy and the Legislative Process," it occurred to me to give you at the beginning of my remarks a brief outline of my conception of the role of a United States Senator.

I am in part induced to make these introductory observations by some words which appear on the card announcing this meeting, a copy of which your club officials were kind enough to send me the other day. Aside from the very flattering remarks contained on that card concerning myself, I notice that I am billed as "United States Senator *for* Oregon." While I, of course, do represent my State in the Congress, nevertheless I like to regard myself as a Senator of the United States *from* the State of Oregon, sent by the people of my state primarily to represent the Nation and not only to represent the people of the state of Oregon. That, I think, is the proper constitutional interpretation of the status of a United States Senator.

Although in the Congress of the United States we frequently have a resurgence of the view which probably reached its height shortly before the war between the states—namely, that a member of the United States Senate sits there as an ambassador *from* his state and *for* his state—that conception of the role of a United States Senator was never intended by the founding fathers who wrote the United States Constitution.

Occasionally, Senators from certain sections of the United States revert to the concept of ambassadorship, particularly when issues in the field of civil rights are being debated or matters of special concern to their state are being considered.

Not so long ago, a very distinguished Senator from the southern part of the United States took the position that he was in the Senate as an ambassador from his state, and that he therefore considered it his duty to take advantage of every procedural device and parliamentary strategy at his command in order to prevent the Senate from voting on an issue which he very sincerely thought was not in the interests of his own state.

In this regard, as I have said so many times to the people of my state, I find myself in agreement with Edmund Burke's conception of the role of a legislator, when, I think it was in 1774, he said to his constituents in Bristol; "Your representative owes you not his industry only, but his judgment; and he betrays instead of serving you, if he sacrifices it to your opinion . . . Government and legislation are matters of reason and judgment, and not of inclination, and what sort of reason is that, in which the determination precedes the discussion . . . when those who form the conclusion are perhaps three hundred miles distant from those who hear the arguments? To deliver an opinion is the right of all men; that of constituents is a weighty and respectable opinion, which a representative ought always to rejoice to hear; and which he ought always most seriously to consider. But authoritative instructions; mandates issued, which the member is bound blindly and implicitly to obey, to vote, and to argue for, though contrary to the clearest conviction of his judgment and conscience,—these are things utterly unknown to the laws of this land, which arise from a fundamental mistake of the whole order and tenor of our Constitution."

It is, of course, axiomatic that in democracies such as the United States and Canada, the legislative process is the principal means for achieving the aspirations of the people, and that the action taken by the legislature has far-reaching effects upon their standard of living and their way of life. In a democracy we have the opportunity through the legislative process to debate the issues and resolve our differences in point of view to the end that the action taken will be for the greatest good of the greatest number. It is that basic principle of the democratic form of government that has persuaded me to the view that a Senator of the United States serves in his Nation's Legislature primarily for the Nation. Although we periodically have to fight out in the United States Senate this question of the proper concept of the role of a legislator, I firmly believe that the soundest theory is that what is best for the Nation as a whole must necessarily and in the long run be best for each state within the Nation.

In recent years the Congress of the United States has debated many questions in the field of social legislation. In the past two decades or so my Government has launched upon far-reaching legislative programmes in the field of social security, wage and hour controls, the relations between labour and management, fair trade practices, and aid to the states in the fields of health and education. During the past several sessions of Congress there has been a great deal of discussion of expanding aid to the states in the field of elementary and secondary education and also of inaugurating a Federal policy regulating discriminatory employment practices. It is in this field of so-called civil rights legislation that the Congress of the United States has been most sharply divided, and thus far those opposed to the further extension of Federal authority into the relationships between employer and employee—particularly in regard to the establishment of a policy that would outlaw job discrimination on the basis of race, colour or creed—have successfully prevented legislative action.

It would, of course, be presumptuous of me to make any suggestions to this or any other audience in Canada that you here adopt or alter any policy of this country in the field of social or other legislation, but while I am on the subject of social legislation in the United States I do want to mention the fact that as experience has grown under the various programmes in the field of social legislation in my country, the opposition of many of those who originally felt that the Federal Government should not concern itself with these matters has in a large part disappeared. For example, much of the opposition to assistance to the states in regard to the health and education needs of their citizens has disappeared and it is more and more becoming to be recognized that the Federal Government has a proper role to play in building up the health and educational opportunities of its citizens that cannot fully be discharged by relying solely upon the resources of the individual state.

We in the United States are committed to a policy of non-discrimination in job opportunities, not only by the pronouncements of the two major political parties but also by the clear language of the San Francisco Charter. In that charter, the United States and other signatories undertook to promote "universal respect for and observance of human rights and freedoms for all without distinction as to race, sex, language or religion."

In my State we have an F.E.P.C. law which is working very satisfactorily and which has not become the burden upon and interference with employers that so many of the original opponents feared. It is modelled very largely after the New York law which was promulgated and passed under the urgings and statesmanship of the titular head of my party, the distinguished Governor of New York—Tom Dewey.

In my country the passage of Civil Rights legislation I consider to be one of the great tests of Democracy facing our people on the basis of which they will be judged by millions of people throughout the world who are engaged presently in the social and political revolutions of our century.

In the struggle for survival that we and other freedom-loving peoples now face, it seems perfectly obvious that our major governmental and individual efforts must be directed toward making our respective countries and their allied efforts as strong as possible.

The emphasis will be upon economic and military mobilization for an indefinite period, in my judgment, and it necessarily follows that to a substantial extent governmental efforts in the field of domestic social legislation will play a secondary role. I do not mean to suggest, however, that in the United States—and I do not refer to the situation in your country because I am not sufficiently informed; and it would in any case be inappropriate for me to do so—all efforts should or will be abandoned in the field of civil rights and social legislation at the Federal level.

We must recognize in my country that Communist propaganda is making effective use in various parts of the globe of our deficiencies in the matter of civil rights. This propaganda seeks to persuade the people of the so-called backward areas of the world, the millions upon millions of people striving for some semblance of economic security and individual rights, that the United States and other democracies are wholly insincere in their international relationships by reason of the fact that within their own borders some demonstrable injustices exist.

We in the United States therefore need to press forward insofar as we can during this indefinite period of high economic and military mobilization with our efforts to bring to fuller realization the basic tenets of the Constitution of my country. This is so, in my opinion, not only because the full enjoyment of individual rights needs to be made available to every citizen but also because I think it very important as a counter move to Communist propaganda and as a concrete demonstration to the millions who are subjected to that propaganda, of the fact that we as a freedom-loving nation practice at home what we preach abroad.

One of the foremost educators, statesmen and humanitarians of my country—ex-Senator Frank Graham of North Carolina, and former President of the University of North Carolina—has on many occasions expressed his abiding belief in the democratic ideal and important role which civic, business and educational institutions can play in attaining that ideal, not only for the people of the United States but for the peoples of the world. His faith in freedom has been a great source of inspiration to me. The closing words of the remarkable statement he made last November on the day he ceased to be a Senator of the United States, give added evidence of the fact that he thoroughly understands, brilliantly articulates and faithfully practices the basic tenets of democracy. Those words, directed primarily to his colleagues in the Senate and the people of the United States, are, I think, worth repeating here because they have universal applicability to any peoples that are not willing followers of imperialistic totalitarianism. He said this:

> "We need always to emphasize that the international economic framework which girdles the globe with its dynamic power for weal or woe, and the international political structure of the United Nations organized to include all the nations of the earth for co-operation and peace, need the international spiritual communism, humane good will and love of people in the minds and hearts of the people who will, in spite of dictators, imperialists and militarists, yet find effective ways to make come true their hopes for freedom and peace. The idea and teaching of Jesus that we are all children of one God and brothers of all men, long rejected as unrealistic, has become, in the atomic age, the most practical and necessary idea of them all."

The struggle for peace, which is the major crisis of our generation, is a struggle for men's minds rather than for their emotions. It is a struggle for human decency rather than for human debauchery. It involves an appeal to reason. Peace can be won and maintained only if we can convince freedom-loving people elsewhere in the world that rules of reason, procedures of international justice, relinquishment of many selfish interests must be substituted in the thinking of people everywhere for the emotional nationalism that still dominates the world in spite of all our laudatory efforts to set up a system of international justice through law by way of the United Nations.

Every institution of enlightenment in North America, including the church, lodge, press, radio—every group where free men gather—should join forces in the struggle for peace. We cannot win the peace by wishing for it, nor by blaming the politicians because we do not have it, nor by adopting the fatalistic attitude that war is inevitable, nor by placing all the blame on our enemies in the war now gripping the world.

But while we must not abandon the struggle for peace nor go to the other extreme of adopting a fatalistic attitude that all-out war is inevitable, the freedom-loving nations must nevertheless build up their strength to the end that the dictators in the Kremlin may be persuaded to the view, before all-out war engulfs us, that Communist aggression must stop. I should therefore like to discuss the foreign policy issues that confront the members of the North Atlantic treaty organization, of which your country is such an outstanding member.

As you know, we are now engaged in the United States in the first round of an historic debate on foreign policy, the outcome of which will have tremendous and far-reaching consequences not only for us in the Western Hemisphere but for the entire world. Some two weeks ago the distinguished ex-President of the United States, Mr. Herbert Hoover, made a major speech in which he suggested that this continent should be made a "Gibralter of Western civilization" and that we in the United States should refrain from committing ground forces in the continent of

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January 4th, 1951—The Head Table Group at the Meeting addressed by Charles E. Wilson, President, General Motors Corporation.

Europe, but instead should rely upon the Air Force and the Navy and the Atlantic and Pacific Oceans for our defence against Communism.

Speaking only for myself, I would point out that comforting as such a head-in-the-sand attitude might be, and emotionally satisfying as that type of wishful thinking is, I would urge that the people of the United States carefully evaluate the clear import of such a policy. It seems to me that it is premised upon the idea that this continent can survive if we withdraw unto ourselves alone and let our Allies in Europe go down if necessary, if they do not do exactly what we wish them to do in the matter of implementing the North Atlantic Pact.

While there are same people in my country who would welcome a psychological escape, we nevertheless cannot escape psychologically or otherwise from the realities of the situation which confronts us. During two great crises in the United States, we rallied around the principle "United we stand, divided we fall" and I wish to plead with freedom-loving peoples everywhere to rally around that same principle, because if Europe goes down to Russia and Russia obtains the industrial war-making power of the Ruhr and the slave labor that her police-state methods will make available, Russia then will be in a position gradually to whittle us down here on the North American Continent, and, I think, finally subdue us. Because I think if Europe goes down to Russia, we would then be in for a 25-year-war and I can think of no military expert that can give us any assurance today that in that kind of war with Russia it is certain we would win.

We in the North Atlantic Pact must not overlook the fact that a great revolution is going on in the world. It is a revolution which probably will last for the next 100 years before the point of social and political equality will be reached which will permit of the successful operation of a system of international justice through law. It is a revolution of the coloured masses as well as the suppressed and exploited peoples of all colours in the world who are seeking a better way of life.

At the present time it is not a revolution primarily involving the competition of political ideologies. For the most part, the suppressed and exploited peoples are illiterate and uninformed, with little understanding of the distinctions between a system of political democracy and a system of Communist totalitarianism. These peoples are millions of human beings, for the most part motivated by their feelings and their instincts and desire to survive, and their recognition that they have a right as human beings to a better way of life. Inevitably, therefore, they will struggle and fight if necessary for food, shelter and clothing and security for their offspring.

That is one of the great realities of the time in which we live, and it is my fear that ex-President Hoover failed to give it sufficient consideration in his speech.

The revolution cannot be stopped because I think it is an inevitable part of the evolution of mankind itself. The peoples of all nations in the North Atlantic Pact who have attained substantial though not complete recognition of the rights of individuals in a democratic society have a tremendous stake in that revolution.

It is a stake so tremendous that I think the outcome of that revolution in the coming century will determine the destiny of the way of life you and I have enjoyed and still enjoy. If in the midst of that revolution we of the North Atlantic Pact nations indulge in a shortsighted policy and permit the totalitarian states to capitalize, by their adroit propaganda, upon any policy which supports the extension of colonialism or totalitarianism in the so-called backward areas of the world, I fear that at the end of that revolution we may find ourselves with the coloured races of the world aligned against us, rather than with us, and again the question of survival will be before us.

As they improve their standards of living and industrial power, it behooves us to be on the side of the coloured masses of the world and not arrayed against them. We must therefore take freedom to them and manifest it in the first place in the form of economic freedom.

An essential preliminary, in my mind, to bringing them to any understanding of the ways of democracy, is that some considerable attention must be paid to their empty stomachs. As I have said so often, that if my country had paid greater attention to, in the Chinese policy, the importance of bringing economic reform along with military aid to the Chinese people, we would find ourselves not in the predicament that we find ourselves in in China today, because I am not one who believes we can not lose a war against China: we can have great military successes, but in the long run we would lose a war because winning it would mean occupying China, and if we had paid greater attention to empty stomachs instead of storing thousands of tons of food in empty government bins, knowing that that food, 80% of it would spoil for human consumption before it was taken out, I say my government should have been emptying that food into empty stomachs in Asia. I say that, as a great Christian democracy, we have to bring into practice the principles of great Christian tenets if we are going to demonstrate to the world that we are a democracy in fact as well as in words. I think some of the problems that confront us in the emergency that confronts us now will go on for years to come, and I would have my government take greater cognizance of the economic needs of Asia. The next century the people of the United States will have to have a Point Four programme, no matter who sits in the White House: that is, we are going to have to have it if we are going to end up the century with coloured masses of the world on the side of freedom rather than on the side of totalitarianism.

That is the reason I have felt that the Point Four programme of my Government is important. It emphasizes the importance of bringing to the backward peoples of the world an improved economic status, a better way of life— It emphasizes, if you please, the importance of putting into practice the great Christian principle that we are our brother's keeper and that political democracy itself is bottomed upon and rests upon great religious tenets, all of which flow from the basic principle that a society of free men believes in protecting the dignity of the individual. To my way of thinking the very essence of democracy is this principle of protecting the dignity of the individual. The theory that the people are the masters and not the servants of the State is not a political platitude, but it is the great principle that will save democracy when it is actually put to practice.

What I am trying to say is that the people of the United States and freedom-loving peoples elsewhere must demonstrate to the other peoples of the world that we intend to practice our democratic principles, that we intend to translate into action our faith in the dignity of the individual, and that we intend to establish in the century of struggle ahead a system of international justice through law under which conflicts between nations can be settled through the process of adjudication rather than through a resort to arms.

VOTE OF THANKS, moved by Dean Cecil A. Wright, School of Law, University of Toronto.

"THE FREE WORLD PARTNERSHIP"

Two Addresses By

BARON TWEEDSMUIR OF ELSFIELD AND LADY TWEEDSMUIR

Thursday, January 18, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: This is a very special occasion. Lieut-Col. Lord Tweedsmuir and Lady Tweedsmuir are both going to address this meeting on "The Free World Partnership". Lord Tweedsmuir will discuss the Commonwealth aspect of the subject; and Lady Tweedsmuir, Western Europe.

The son of a famous and beloved Governor-General of Canada Lord Tweedsmuir was educated at Eton and Oxford. He served as Assistant District Commissioner of the Uganda Protectorate from 1934 to 1936, and in 1937 he came to Canada where he joined the Hudson's Bay Company. He spent the winter of 1938-39 in the service of the Company at Cape Dorset, in the Canadian Arctic. John Tweedsmuir, as he is known to his comrades, was first commissioned in the Canadian Army in 1939 and he served with the Canadians for the duration of the War. When the 1st Canadian Division went to Sicily Lord Tweedsmuir was appointed 2nd in Command of Hastings & Prince Edward Regiment—the Hasty-P's—and when his Commanding Officer was killed in action Col. Tweedsmuir took over command of the Regiment. Col. Tweedsmuir was seriously wounded in action and was carried off the field by his batman. Having recovered from his wounds he became G.S.O.1 on the staff of Sir Oliver

Leece who succeeded General Montgomery as Commander of the 8th Army. Lord Tweedsmuir thus served as liaison officer between the Canadians and the British, a task for which he was admirably suited and which he performed with great distinction. For his outstanding service and valour he was twice mentioned in despatches and was awarded the O.B.E. When the Canadian Corps left Italy for North-West Europe Lord Tweedsmuir naturally accompanied them, and he was appointed Officer in Charge of Administration of Civil Affairs dealing with enemy captured materials, personnel, displaced persons and refugees. For this further outstanding service he was awarded the Order of Orange Nassau with Swords by the Netherlands Government. Although tempted to return to Canada at the end of the War Lord Tweedsmuir has said that he felt he could best serve Canada and the Empire by taking his place as a Member of the House of Lords, and he is the youngest Member of the Opposition front bench in the House. He takes an active part in the business community, being a Director of 8 Companies, and as a hobby is a Naturalist and Author of several works in that field. We honour him for his distinguished name, for his late Father who gave so much to Canada and the Empire; we honour him for his own outstanding record of service, and we particularly appreciate the statement that he made upon his arrival in Ottawa the other day when he said: "After all I feel that I am more than half Canadian for if you add up the years I was here with my Father, and the years that I served with the Canadian Army, they come to more than half my adult life". And so, My Lord, we say "Welcome Home, May you always so regard Canada". Col. Lord Tweedsmuir will speak on the Commonwealth aspect of the subject: "The Free World Partnership".

LORD TWEEDSMUIR: Mr. Hermant, Ladies and Gentlemen, I am indeed very grateful for the kind words that have been said about me. Unfortunately, there are only too many people here today, who knew me only too well. I wondered, when I came along today, whether my wife or myself would be speaking first, and I see you reversed the old principle of Ladies First, and I am rather relieved in a way. "Ladies First" grew up as a custom in Scotland in the Middle Ages. It was thought advisable to send the ladies first if there was any question of an ambush. And apparently on this particular occasion, there is no need to apprehend any such occurrence.

And indeed I feel that I am coming home when I come to Canada. It is not really a visit, this is just a glimpse. As Cecil Rhodes said, "So much to do, so little time to do it."

I see around me today so many people that I knew in the last war, men who were friends of mine and whom I have seen in every possible position and predicament, except one and that is in civilian clothes, as I see them for the first time today and long may they be able to retain them!

I would like to say, as President of the Canadian Veterans of the United Kingdom, how deeply grateful we are to every one in this Club who have so generously helped us to continue what The Canadian Army in England started in the war—the children's Christmas parties. They are so much appreciated by the children and by the people of Britain. Believe me, your kind generosity is being put to a most admirable cause, and the present position of the Canadian Veterans of the United Kingdom owes a tremendous amount to the energy, the keenness and the ability of a previous officer of this Club, and who, as is known to us all, is Major Jim Armstrong.

Now I feel, surrounded as I am by so many old friends and comrades, that six years have rolled back and I live again in the time which I so well remember, the days when one only too well understood the parable of the one-armed paper hanger, days when we shared every possible kind of quarters and not infrequently the confines of the dog house.

Well, I am going to discuss this exceedingly important subject very briefly; not that it is not of the greatest scope, but I believe the broad issues to be so plain there is no need to labour them, and also I cannot help remembering the instruction of my father's that "if you knew what you were talking about you could say it in twenty minutes, but of course if you did not, it took much longer."

It is difficult, when dealing with this subject, not to begin with the most popular of all unpopular subjects, the men who rule Russia. There can be no doubt left in the minds of any thinking man or woman that Russia intends to conquer the world, if possible, without firing a shot herself. She seeks to spread her system by a sort . . . of missionary creed, which is half a system of government and half of religion. It is a religion which so degrades the human personality that a man ceases to be a man and becomes instead merely a statistic. Well we can not say that she is not being mighty successful in the far Eastern half of the world. The world is a biggish place, and the British Commonwealth is scattered all over it, so that any event that happens anywhere necessarily affects it somewhere.

When you look at the size of this association of nations one draws a good deal of comfort from seeing that it embraces one-quarter of the world's people and a third of its land space, and when you add the people of the United States, our firm friends, you add another 140 million souls with a vast potential of production.

But let us always remember that mere size by itself means nothing. It is only when their resources are organized, when the brains of the best are put together to formulate a plan, that you really get results. And I don't think there can be any more striking tribute to that, since the war ended, than the success of that titanic operation, the Berlin Airlift.

You remember, as I said, that mere size by itself is nothing. It is quality that counts. One first class British brigade prevented Greece from going behind the iron curtain. It is making a plan together and putting our resources to the right use, at the right time, which matters.

Only two days ago Mr. St. Laurent returned to Canada from the conference of Commonwealth Prime Ministers. The attention of he and his colleagues was focused on the Far East, a part of the world on which a lurid and blinding light now beats.

For it is there that cold tide of the cold war moves like a furious tide race, and foams into China and Malaya and laps the shores of all the rest.

I don't think there has been a more significant event in the last six years than that Communism has engulfed China, and China in turn has engulfed Tibet. For many months past fighting has gone on in Korea and Indo-China. For several years it has continued in Malaya. And we can not see the Far East as a separate problem from other concerns. It contains a great part of the world's resources.

Furthermore in Indo-China, Burma and Siam there is what is called the "rice bowl". Rice is the staple of food for most of the Far East. If those countries fall into the hands of the Communists and that rice is diverted to Russia's Satellites, the outlook for India and Pakistan will indeed be a grave one. We can not, therefore, divide one part of the world from the rest and conveniently forget it.

It is not easy for the peoples of the West like ourselves to understand the peoples of the East, but learn to understand them we must. We run a race with time, a race that we cannot afford to lose.

Now between the West and the East there stands but one bridge, and that one long erected, and that is the British Commonwealth of Nations. That is the only association of humanity which understands the concerns and wants of the East and West. A few years ago, about four years ago, the Commonwealth meant something different—that you met round a very much smaller table. Every one of the nations there represented regarded, however distantly, Europe as their Mother Continent. Now that has changed. With India, Pakistan and Ceylon, those powerful nations of Asia sitting around that table, for every one Commonwealth citizen who has his roots originally in Europe, there are four now who do not. And these great countries, have taken over apparatus of government and of law and of the services built by ourselves. Are stemming in the main from our Western outlook and our Western religion. Now they have sole charge of these great organisms that we built up, and slowly and necessarily they are adapting them to an Eastern concept,—it is the first time in the world's history that anybody has found themselves in the position of Easternizing Western institutions. If they go too fast it is possible that they will damage that building beyond repair, but we wish them all good fortune in the task that confronts their leaders at this very moment.

As far as understanding goes, there is many a man here who was in the Canadian Corps in Italy who will remember it did not take us long to get to know and like those splendid troops from India and Pakistan then, who were with us on that battle field. Those allied armies in Italy form a very interesting study. Individually those nations were powerless. Collectively they were irresistible. The justification of any association is that the bundle is stronger than the sticks that compose it. Every one of those sticks could have been snapped by itself, but collectively that bundle wore out the strength of Hitler's war machine.

Now I have said a word to you about the East. Now a short word about the West. For many, many decades Government has been slowly decentralized from Britain. The decentralization has been complete. To a certain extent the decentralization of industry is going ahead, and Canada has leapt to the front rank of the industrial powers of the world. But one thing that is highly centralized, dangerously centralized, is what might be called the White British Race—5/7ths of them live in 1/90th part of their territories, and that not the richest part either. It is a circulation, this movement of population. One-fourth of the people living in Canada were born outside of it. A quarter of those born in it, live outside. I am informed on good authority that if no single human soul would have come in those intervening years, providing none had left, the population of Canada would be what it is today.

I believe the re-distributions of the white British race is one of the most pressing problems that our generation will have to solve. Do not let me give you the impression that it is simple. Nothing is more dangerous than oversimplifying great issues. My father once attended a lecture in the early 1900's, in which the lecturer was so foolish as to say when he alluded to South Africa, that all that that great country needed to go ahead was a better water supply and a better type of citizen, and a voice from the back of the hall said, "But surely, that is all that is wrong with hell."

I do not wish to over simplify this subject, but I think you would all agree with me that we must seek to achieve a better balance.

In bringing my remarks to a close and giving way to my better half, one thing I think is crystal clear in the world so distorted by propaganda, and that is that the Commonwealth in the last six years has not got less important, but vastly more so, and consequently that much heavier is our responsibility. People I think are now beginning to see a good deal of force in an association, which is the only league of nations that has ever worked. They are beginning to see something intensely mysterious and at the same time admirable, in a collection of nations who can be defined as being unforeign to each other, and who have arrived at a technique of co-operation such as the world has never seen before, but with which the world can do with a lot more. This derives from human sympathy far above the degraded comprehension of the men in the Kremlin, but something which has enormous force. The recollection of Canada's service in war is warmly treasured in England. England's admiration for Canada's present achievements is not less warm. When the inhabitants of Winnipeg were forced from their homes by the rising Red River, when fire seared Rimouski like a surgeon's knife, I do not think there was deeper sympathy for these unfortunate people than there was among their millions of well-wishers back in Britain.

I will bring my remarks to a close, by just saying that the Commonwealth has never been more important, and never had to carry a heavier burden. We are, as Edmund Burke said, "on a conspicuous stage and the world marks our demeanour." With that cement of that deep human sympathy we have withstood a lot in the past. We have been an anvil that has worn out many hammers, and if need be, we will wear out as many more, providing we do not allow that anvil to erode or rust through lack of understanding.

MR. HERMANT: May I say, Lord Tweedsmuir, that in this country the ladies have the last word.

And now, Ladies and Gentlemen, we are to hear from the other partner. Lady Tweedsmuir, daughter of Brigadier Alan F. Thompson, of Aberdeen, Scotland, was educated in England, Germany and France. Prior to the War she was primarily interested in Youth organizations and during the War she recruited a Red Cross Detachment and her home became an Auxiliary Hospital for Service patients. Lady Tweedsmuir was also a welfare supervisor in an Engineering Works in Aberdeen. In the general election of 1945 Lady Tweedsmuir unsuccessfully contested North Aberdeen, but at the by-election of 1946 she was elected Conservative Member of Parliament for South Aberdeen and retained this seat in the general election of 1950 with a record majority of 8,826 votes in a 3-cornered contest.

Lord and Lady Tweedsmuir were married in July, 1948, and have a young daughter. Lady Tweedsmuir is a Director of the British Film Institute. She was chosen to represent the Right Honourable Winston Churchill as a Delegate to the Council of Europe at Strasbourg. We are particularly pleased to welcome Lady Tweedsmuir to this meeting and we would hope that she, too, will come to regard Canada as "home". We know that she will feel particularly at home in Toronto, the seat of the only Conservative Government in the Empire. Lady Tweedsmuir will now speak on the Western European aspect of "The Free World Partnership".

LADY TWEEDSMUIR: Mr. President, Ladies and Gentlemen: I should like to thank you first, one and all, for your wonderfully warm welcome, and I hope and believe that you feel with me how hard it is to follow on after such a speech from my husband today.

This is my first visit to Canada. I have always wanted to come, and I am awfully sorry it is only what my husband described as a "glimpse", but there is an old saying that when you once get a glimpse of the promised land, it drives you on for ever and ever to the next visit.

Well now today I come to you as someone who does not know Canada at first hand, but who does, I think, know a little about it from second-hand from my husband, but he has told me some very strange things about you and your country. Perhaps you can best tell me whether they are true. For instance, he said to me that "I would have to know a Canadian very well before I found out what his surname was."

I feel also not entirely a stranger because I come to you as a Scot. And as I look around, I am reminded of the saying, "the Scotsman will gladly die for his country but he will not live in it."

I also come to you as a European, and it is for that reason that I wanted to say just a few words about Western Europe today, and you have done me great honour in asking me to speak. I feel that, whatever does happen in the Far East, that at heart we know that the great struggle will come in the West. And also, Mr. President, I think I am right in saying that Western Europe is the homeland of a great number of people in this nation today.

I think there are two questions which people have uppermost in their minds when they think of Western Europe. They say, first, "Has Europe the will and the power to unite for action in peace and in war?" And, secondly, they say, "What success will attend the creation of a European army and what will Germany's place be in that army?"

Well, now, first I am bound to say that I know very well that there is a great deal of disappointment on this Continent that Western Europe has not yet managed to join together in a strict political federation. Yet, while people may forget their differences in the free air of

Canada, that is not so in metropolitan Europe. It is but a short time since the movement to unite Europe came after she was shattered after this war. Surely what really matters is not that you should have a signed piece of paper to mark your union, but that you should be able to unite together and achieve a purpose. I feel very much from experience, that Europe will unite to achieve a purpose in three main directions.

Firstly, in the field of military co-operation.

Secondly, in economics.

Out of these may grow a political union, but it may not be the kind of strict political federation that many have in mind. But the first thing that matters is that you should unite for a purpose. Well I think it is military co-operation that is uppermost in everybody's minds, today, and I can only say that the appointment of General Eisenhower had a wonderful effect upon the Continent. It is for that reason that the Great Debate as it is called, which was stimulated by Mr. Hoover's recent speech as to the extent or absence of the United States in Europe caused very great concern upon the Continent, because people there really believed that after the appointment of General Ike that that issue was largely settled. Of course one quite well understands that the considered counsels from a distinguished Past President of the United States, and also from a respected Senator of today must naturally receive considered thought. But surely the whole free world should ask themselves some simple questions? "Can the Free World do without Europe? Can the United States and Canada do without Europe? Can Europe do without them?" I think we one and all would reply, "No" to all those three questions.

If we want to back up our argument by fact, it is not true that for the first time in recorded history it is now technically possible for one nation to become master of the world. For that same reason it is therefore technically impossible for us to seek to defend ourselves alone on our own shores.

It goes without saying that Europe must play a large part on her own, and people are naturally disappointed at what they feel is the indecision and the self-doubting of their own strength. Could we, however, not try to sense the political and human atmosphere there today? After all, in Western Europe, in the space of one man's lifetime there have been three great conflicts. Many countries have known only recently what it is like to be conquered, to have people living on your doorstep who are not of your race. People know from personal experience what it is like to have to go to the front and to have their homes bombed and family torn and destroyed. They also know, the 14 million people who are still refugees in Europe, what it is like to be stateless and to have no human rights at all. It is for that reason that you can understand why Western Europe so badly needs the confidence that the rest of the free world will stand beside her in this challenge which she must face. Therefore it is a very great inspiration for the confidence of Western Europe that the United States should accept the responsibility of living in the world, and that the Commonwealth is united with Europe too.

I know that there are many who are deeply concerned about France and about Germany, and I believe that when we try to think these matters out for ourselves that we could do no better than try to look into the heart and mind of the greatest living statesman today, Mr. Winston Churchill. He realizes perfectly well that in this era, he who is not with us is against us. Therefore in 1949 at the Council of Europe, he got the twelve free nations represented there to voluntarily invite Germany to take her seat at our Councils. In 1950 he realized that the one thing that Europe must do was to proclaim to the world that she is prepared and ready to defend her own land, and so he put forward that now famous resolution on the creation of a European army.

Many people quite naturally are deeply concerned as to the part that Germany should play in that Army, for there must be few people here who have not suffered at Germany's hands, and that is the same in Britain and throughout the Continent—But surely we must realize that the free world needs Germany. A nation of 80 million people with her history must always be a significant race. Wars have been and always will be fought in and around her country, and if we are agreed that we need Germany, then are we not also agreed that we need her *now?*

The part that Germany should play is Germany's choice: it is she who must decide whether she will contribute forces or not, and she is like someone wondering which of two insurance policies to take up. She is now, at this time, drenched in pacifism and nationalism, so I think perhaps it is not unwise if it is often made plain that no country in the heart of Europe can remain neutral. The experts tell us that Britain can not defend herself at the channel ports; she must defend herself as far East as she can, on the Elbe. Therefore any country in the heart of Europe will once more become a fearful battleground.

I believe the great thing which the Commonwealth wants to know is whether Britain means business. You, no doubt, often hear of our political arguments at home! We have a Socialist Government, I am a Conservative. We have many arguments and fights on the floor of the House of Commons, but underneath everything, the British people are the same, and on the great issues Britain does now, and always will, mean business!

Now I would say what is the duty of all our nations who are free? Surely it is to try and give leadership to Europe, because we dare not allow in Europe a void of accepted and acceptable leadership; but if we do fill that vacuum, those who hesitate or wonder, will throw in their lot in the end with us, I would like to quote the words of my father-in-law John Buchan. He said: "Leadership means courage and wisdom and a great carelessness of self."

I am always reminded of the fact that a speech to be immortal need not be everlasting. Therefore I would finish these remarks by saying: people often wonder what can I do? Most of us live very hidden lives, but surely every person has a great task in this battle in which we can all, by our actions, by what we say to each other, contribute to the moulding of public opinion. In a Democracy a Government can not act unless its decisions are based on the sturdy, informed and courageous public opinion of their country.

Therefore let us insure that nothing shall divide us long. Because many of us live on two continents, do let us be sure that the little things, the irritations, do not mount up into a public opinion which rends the great issues, because it is vital in the struggle that the free Nations maintain their concerted action. There is abroad an evil force which is dedicated to the proposition that none of us shall ever enjoy peace in our time, and it is a force that upholds a creed which is a negation of everything that the free world has learned in 5,000 years of recorded history. We must oppose that challenge not only by arms, but by a faith that is greater. We must make plain that if pushed to defend it we will go even to the awful sanction of war. Only then, can we with any honour, turn to the next generation and hand the future safely into their keeping.

VOTE OF THANKS, moved by Maj-Gen. A. Bruce Matthews.

"MEN—MATERIALS—MONEY FOR CANADA'S DEFENCE"

An Address By

HON. BROOKE CLAXTON, D.C.M., K.C.
Minister of National Defence

Joint Meeting with The Canadian Club of Toronto

Thursday, January 25th, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of the Canadian Club of Toronto, and The Empire Club of Canada. We are specially privileged to-day to have as our guest and speaker the Honourable Brooke Claxton, D.C.M., K.C., Minister of National Defence.

Mr. Claxton was born in Montreal and received his early education at Lower Canada College. After a year at McGill University he enlisted and served overseas with the Royal Canadian Artillery in the First Great War. He was promoted to the rank of Battery Sergeant-Major in the field, and was awarded the Distinguished Conduct Medal. Returning to Canada after the War Mr. Claxton completed his course at McGill, graduating with honours in Law. He practised his profession in Montreal, and was also associate professor of commercial law at McGill until 1944. In 1939 he was created a King's Counsel.

A full-time citizen, Mr. Claxton has served as President of the Canadian Club of Montreal, and as Chairman of the Montreal branch of the Canadian Institute of International Affairs. He has been Chairman of the Board of Governors of Lower Canada College, and was a graduate fellow of the Corporation of McGill University.

Mr. Claxton was first elected to the House of Commons as Liberal Member for the constituency of St. Lawrence-St. George, Montreal, in the general election of 1940. He was re-elected in 1945 and again in 1949. In 1943 he was appointed Parliamentary Assistant to the Prime Minister and in 1944 he was named Minister of National Health and Welfare, the first of the parliamentary assistants to achieve Cabinet rank. As the first Minister of National Health and Welfare he was responsible for the organization of the Department, and of the Family Allowances administration.

In 1946 Mr. Claxton became Minister of National Defence. In 1947 he headed the Canadian delegation to the British Commonwealth Conference on Japan held in Australia, and in 1949, as vice-chairman of the Cabinet Committee on Newfoundland, he signed the terms of union on behalf of Canada. He represented Canada at the meetings of the Defence Committee under the North Atlantic Treaty in Washington, Paris and the Hague.

In welcoming Mr. Claxton we assure him that we appreciate the great burden of responsibility that he bears on behalf of all Canadians and in these strenuous days we are particularly grateful to him for taking the time to address this joint meeting of the Canadian Club of Toronto and the Empire Club of Canada. The Hon. Brooke Claxton is going to speak to us now on the subject: "Men—Materials—Money for Canada's Defence".

MR. CLAXTON: I am especially glad to have the double honour of speaking at this very large meeting of two great institutions, so well known for their notable contributions to the life of Toronto and of Canada.

The name Canadian Club evokes in memory's eye pictures of every part of Canada from St. John's, Newfoundland to Esquimalt in British Columbia and from the Great Lakes to the Far North; we join hands with the fourteen million people who share our hopes and our fate, who have today, I believe, a stronger sense of solidarity and unity of purpose than ever before.

And the name Empire Club recalls to us, not only the splendour of the British record, but also our determined adherence to what I believe we treasure above everything else—our heritage of the best system of government the world has ever known, expressed in the single phrase "British institutions".

It is in no narrow sense that we Canadians today think of our country and of our associations in the Commonwealth. Two wars, a world-wide depression and the menacing signposts of the new geography of the air, as well as our large interest in world trade, have brought home to every one of us our direct and personal interest in world peace.

The Canadian People

All of us here today, all Canadians, have in common the desire to live a certain kind of life. Already one of the richest nations, we would like the opportunity to work out our destiny in friendship and goodwill with other nations. We would like the time and the conditions of security to enable us to explore and expand the infinite possibilities of our country.

Canada is not a static country, Canadians are a dynamic people. What has been accomplished in the development of the nation's wealth and in the increase in social security and in individual and family welfare during the five years since the end of the last war has pointed to the possibility of a future unmatched by any country on the face of the earth.

However, the stern course of events has brought home the fact that there are those who would shut us off from this future by the extension of the Iron Curtain. Communists, wherever they exist, are the only people whose course of action would prevent us from having the progress and prosperity which we know we could enjoy with other nations.

The Urgent Situation

The next few weeks may prove to be the most critical since the conclusion of the Second World War. Decisions now being taken at Lake Success and Washington, at Peiping and Moscow, may well mean the continuation of this twilight peace, they may mean some improvement in the international situation, or they may mean a situation much worse than we have ever known.

In doing everything proper to explore each and every avenue to achieve a settlement by peaceful means and so lessen the risks of sliding now into a general war, our Prime Minister and our representative at Lake Success, Honourable L. B. (Mike) Pearson, have, I believe, the strong support of many of the peoples in every part of the world and of all Canadians.

If we are to be successful in deterring aggression, the very fact of our success will of itself prolong the effort. This will call for our devoting a large and increasing part of our national income and our national budget to defence activities. Because of the physical resources of Canada and the spiritual resources of the Canadian people, there can be no doubt that we will endure the strain as long as it may be necessary.

This is going to take endurance and fortitude; good sense and patience—though not complacency; and resolution—though not hysteria.

We in Canada are sometimes accused of being colourless, phlegmatic, cold and unresponsive. If that means that our criticism is less savage, that our Parliament is orderly, that our government is responsible, that we pay our debts and honour our contracts, that we do our duty and meet our obligations, that we get along with our neighbours and that we are respected for all these things by other nations, then I am proud to be a Canadian.

We must be thankful that our country is at this time more united than ever before in its history. In the same way we have better working arrangements with Britain, with the United States and with our other friendly allies than ever before.

Indeed, we are not doing too badly, but we have no time to stop on self congratulation. We cannot stand still. Either we will meet the challenges that face us and grow greater in every way because we surmount them; or we shall fail to meet those challenges and so be obliterated by them. The choice is ours. I have no doubt, and you have no doubt, as to Canada's choice. We have never failed yet.

Combined Strength

After the First Great War the hope of a lasting peace through the League of Nations was shattered by Hitler. All of us had hoped that the victory of the Second World War would enable us to work together in the United Nations to establish the conditions for that prosperity which we know we could have if all nations were prepared to live in peace. Again that hope has been shattered, this time by the limitless ambitions of the Communist party throughout the world.

To meet this menacing situation, the nations of western Europe joined together in Western Union to combine their strength and build their security. Canada and the United States took the lead in broadening Western Union into the North Atlantic Treaty Organization.

NATO has for its primary object the preservation of peace by preventing aggression, and only if that fails, the restoration of peace should aggression occur.

Ten years of public life have given me many opportunities for service, but none I think more important than the chance to work with my colleagues in the Defence Committee of the North Atlantic Treaty Nations. It has been our task to prepare military and industrial plans for increasing our strength, to set up an integrated force and to provide for the appointment of a supreme commander. The Supreme Commander was to be appointed by the President of the United States and at the Brussels meeting the honour fell to me of proposing a resolution indicating to the President that it was the unanimous view of all twelve nations that should he choose General Eisenhower, that would give the utmost satisfaction to every one of the associated countries. Tomorrow we shall have the privilege of welcoming General Eisenhower on the occasion of his first visit to Ottawa in his new capacity. In a very real sense he has now become a Canadian officer. We have a one-twelfth share in his leadership.

Defence Objectives

The objectives of Canada's defence policy are obvious. They are:

First, defence of Canadian territory against direct attack;

Second, discharge of undertakings by Canada under the United Nations Charter and the North Atlantic Treaty;

Third, building up forces to take our part should we become involved in a world war.

Defence Planning

Our defence planning more than ever envisages the fact that we shall never fight alone. For the defence of this continent we have a complete understanding with our United States neighbours. We are adopting U.S. pattern equipment as a practical step in standardization, about which there has been too much talk and much too little done.

The policy of adopting equipment of United States design is just plain military and industrial common sense. Veterans will recall that many United States items of equipment have been used before by the Canadian Army, principally artillery and tanks.

In adopting this policy we anticipate having to make some changes in organization, but these will be minor.

We shall continue to wear our own Canadian-type uniforms. We shall preserve our own Canadian traditions. We shall maintain our close affiliations established on the fields of battle with forces of the Commonwealth.

The character, traditions and methods of operation which have enabled the Canadian Army to gain its many great successes in the past will not be altered beyond what is essential to meet the needs of these new weapons and supply procedures.

This process of standardization will be speeded up and the forces of our allies correspondingly strengthened by transferring the equipment of United Kingdom type to our allies in Europe and to this extent keeping them standard too. We have large stocks of this equipment.

The gift of United Kingdom type equipment for a Netherlands division to be replaced by equipment of

United States type, to be purchased from the United States or made in Canada, will be followed by other similar arrangements. Similarly we shall be making some equipment of Canadian design available to all the North Atlantic Treaty Nations—another major step in standardization.

Our defence relations with the United Kingdom are closer than they have ever been. A year ago we offered to train Army officers and aircrew for the North Atlantic Treaty nations and today we have young men from Britain, Italy, Norway, France, Belgium and The Netherlands training in Canada. They know it is a good place to come to get the job done. We are offering to enlarge this plan greatly.

Local Defence

Another problem of defence planning is to maintain a proper balance between the territorial defence of this continent and our outer defences in Europe or Asia.

We are constantly reviewing our territorial defence with the United States services because the defence of the North American continent is a joint operation. Our security does not depend exclusively on what Canada does or what the Americans do, but on the sum of our joint effort. Every cent spent in Canada helps to defend the United States and vice versa. We have the same interest in our common defence and from day to day we are making arrangements to strengthen that defence.

Forces in Being

But defences of our own territory, while essential, are not what is going to prevent aggression. We have to take our part in preventing aggression through assisting in the creation of a combined force strong enough to make it plain that aggression will not succeed.

Balanced Defence

There is also the problem of arriving at the right proportion as between the Navy, the Army and the Air Force, and that balance must be related to manpower as well as materials and money. No country can ever have as much defence as the military authorities would consider necessary for complete safety. Defence planning is a question of estimating possibilities, calculating risks and establishing priorities.

Defence planning must be carried out so that we make the best use of our resources as regards manpower, materials and money.

In this connection it is well for us to remember that we have in Canada an immense productive capacity. During the war we had two men or women directly engaged in defence industry for every man or woman in the armed forces. During the war 70% of everything we made was used by other nations. To-day we are using our skills and our capacity to make munitions and training facilities available to nations which need them in the most urgent way.

Men

In the armed forces of today the cost of manpower is very high. Every man we take into the armed forces costs $3,200 a year for pay, allowances, food, clothing and other things which are the equivalent of a single wage. Since accommodation in the places where we want it is already crowded, each new man taken on requires immediately $1,000 to $2,000 of new construction. The cost of his share of the equipment on himself and his unit is $3,450 if he is in an infantry division; $6,800 if he is in an anti-aircraft regiment: $7,325 if he is in armour; $10,000 if he is in the Navy; and $16,000 if he is in the Air Force.

As of December 31 the strength of the active forces of the three services was 62,000. The reserve forces of the three services total 53,000. During the last four years the full-time service and civilian personnel engaged on defence has increased from 50,000 to 80,000 people, an increase of sixty percent. During the next few years at the planned rate of intake, they will increase by another fifty percent. Recruiting for the month of December, 1950, alone resulted in over 1,500 enlistments in the active forces.

In the first three weeks of this month the number of officers and men taken on was 2,361.

That was more than the average rate for 1950 including the Special Force.

At anything like this rate Canada's manpower shortage will not be in the armed forces. Our aim is to take in men at the rate needed to man the ships and fly the planes and work the guns as they roll off the production line in ever-increasing numbers. We have been getting them in these numbers and we are going to continue to get them. Production of equipment and enlistment of men must keep in step.

We would like to see the reserve forces built up still more. The devoted officers and men who serve in them have made great progress over the last four years. We need still greater progress. I appeal to the officers and men who have been in the reserve forces, and who are no longer active, to get to work again with their units and I appeal to young men to hear the call of service.

In the near future we may again be calling upon the young women, who played such an integral part in the Second World War. If this should take place, I am certain the response will be just as loyal as before.

Materials and Money

Coming to the matter of materials and money, as you all know, Canada is in a position to make an important contribution to the joint effort by producing material and equipment of many kinds.

The cost of modern equipment is staggering.

A new anti-submarine vessel costs over $8,000,000; a two-engine fighter, $750,000; a single engine jet interceptor over $400,000; an anti-aircraft gun with fire control equipment, over half a million; a new airfield with runways, buildings and equipment, $20,000,000; a radar station with buildings and equipment, $6,000,000.

The increased tempo of defence preparations is reflected in the expenditures voted by Parliament.

Four years ago defence expenditures amounted to $196 millions.

This year the original vote was $425 millions, increased last September to $567 millions plus the $300 millions for mutual aid; making, with over $100 millions spent by other departments on matters related to defence, nearly a billion. In 1951-52 we shall need more, much more.

Perhaps I can illustrate with one or two figures the impact that this will have on the civilian economy.

Since the beginning of the current fiscal year on April 1, 1950, we have placed orders with Trade and Commerce for equipment and construction totalling $701,177,720.

The main items are:

Aircraft	$330,494,153
Ships	96,151,593
Radar and Wireless	49,967,240
Clothing and Textiles	35,000,000
Motor Vehicles	50,091,022
Armament	26,190,553
Construction	113,283,159

Now observe that in the year before the Second World War the Department spent $34,432,839, and during the first year of the war we spent $125 millions. It has been suggested to me that the position of defence industry today corresponds to what it was about two years after the beginning of the last war but with much greater potential capacity.

What this means to Canadian business is shown in the lists of contracts now being published each week by Canadian Commercial Corporation. Eighty thousand contracts have been let in the last nine months.

Defence has become today the biggest single business in Canada.

The impact of these additional demands has not yet been felt with its full force in the Canadian economy, for in many cases preparatory planning and tooling require some months before actual production gets under way. Defence expenditures are not spread evenly over the whole economy but tend to concentrate on industries that make use of such basic materials as steel, aluminum, nickel and other non-ferrous metals, creating shortages of materials and services required for civilian production and essential for national defence.

The Canadian Programme

The Canadian programme includes orders for twenty-seven ships to be under construction at all the major shipyards. That will be increased. The Navy is accelerating its programme of refitting, rearming and commissioning all the existing ships. This includes manufacture at Sorel of the 3-inch 50 calibre automatic guns for both the R.C.N. and U.S.N., an example of the type of co-operation we have been seeking to obtain. Large orders such as this make it possible for us to use our great productive capacity economically and efficiently.

Arrangements are being made for tooling up for the production of motor vehicles of American pattern and other new equipment, also on U.S. pattern, as part of the policy of having the forces in North America—both military and industrial—work according to the same industrial practices, the same industrial standards and the same military patterns.

The Air Force, however, has by far the biggest programme, the largest single item being the production of the F-86E Sabre, the front-line U.S. fighter; next is the CF-100, the twin-engine, all-weather fighter known as the "Canuck", having qualities which particularly fit it for long range work in Canada and elsewhere. In addition, there are extensive programmes for the modification of various types of aircraft being carried out at all the major aircraft industries in Canada.

In the electronics and electrical field development has been most rapid of all. Here, in addition to large orders for Canadian use, contracts are under way for equipment for other countries.

Where industry was talking about plans two years ago, we now have programmes under way and they will be progressively increased, extended and accelerated.

More Still

In 1939-40 when we were at war we spent $125 millions. Now when we are not at war we are spending a good many times as much. And this is going to be further increased.

The programme I shall be putting before the next Session of Parliament will leave no doubt in the minds of anyone that business as usual is over. Canada is going to have far more business than usual and it is going to put pressures on the resources of manpower and raw materials and productive capacity of this country.

Civil Defence

In every country a civil defence organization must be organized so as to be able to take effective action where action is required and that is, on the spot. The primary responsibility for civil defence operations, therefore, must rest with the municipality. In Canada, as in other countries, the federal government has agreed with the provinces that the civil defence organization should be set up under the official municipal authority and be an agency of that authority. I put this proposal to the provincial governments at a conference last September and I am glad to say that that position has been recognized by them as being the only sound one to take; moreover, the municipal organizations are being set up on the basis suggested and there is good co-operation between the federal, provincial and municipal authorities.

The question outstanding is how much financial assistance is the federal government going to give for local civil defence activities? I have previously suggested lines of division. We will certainly pay for what is essentially and exclusively civil defence equipment—warning signals, geiger counters, gas respirators, in so far as they are required over and above stocks now held, and other similar equipment. I believe that I am right in stating that the provinces do not want the federal government either to trespass upon or assume the proper role of the provinces as responsible for municipal organization.

To deal with the division of expense and further strengthen co-operation, the provincial authorities will be invited to meet us again at a very early date.

The Great Need

Finally, in our discussion of planning, we must plan for a partnership of the whole community.

The job of our national defence is just one job, the job of every one of us.

If the defence preparations of NATO discourage our potential enemy from taking the final step into the abyss of World War III, then our immediate objective will have been attained.

But I believe that the peoples of the free world, as well as in Canada, will not relax defence preparations until such are no longer necessary. We are building up force to meet force. Our defence effort will engage an ever-increasing proportion of our total energies and resources.

We are faced with the necessity of extending this effort until the threat of war is ended either by the fact of war, or, as we hope it will, by a change in the attitude of the countries now controlled by the Communists. While war is not inevitable, neither is peace, and today we must recognize that even on the most distant horizon there is nothing to indicate that a change for the better is yet under way.

We are determined to do what is necessary and that I believe is the united view of the Canadian people.

VOTE OF THANKS moved by Mr. R. F. Chisholm, President of The Canadian Club of Toronto.

MR. HERMANT: Torontonians who have been fortunate enough to obtain tickets this week for the Royal Alexandra Theatre are enjoying the visit of the world famous D'Oyly Carte Opera Company, of London, England, who are presenting their delightful repertoire of Gilbert & Sullivan Operas. We have as a special guest this afternoon Mr. Martyn Green, of the D'Oyly Carte Company, and with the Hon. Mr. Claxton's kind permission Mr. Green has been good enough to agree to say a few words to this meeting. Following service with the Royal Fusiliers in the First War Mr. Green joined the D'Oyly Carte Company in 1922. For some time he played small parts and understudied the great Sir Henry Lytton. He has now become a world famous star. From 1941 to 1946 Mr. Green served with the Royal Air Force in the United States, India and the Far East, being demobilized with the rank of Squadron Leader. It does seem appropriate, therefore that following an address by the Minister of National Defence we should hear a few words from one who is at the same time a Lance-Corporal in the Royal Fusiliers, a Squadron Leader in the R.A.F., the Admiral on His Majesty's Ship Pinafore, the Major-General who conquered the Pirate band, the noble Duke of Plazatoro who lead his Regiment from behind, and the Lord High Executioner. Mr. Martyn Green, the famous Gilbert & Sullivan actor, will now speak to us for a few minutes.

MR. MARTYN GREEN thanked the President and members for inviting him as a guest when Mr. Claxton spoke.

He introduced his colleagues who were present,

Mr. Bruce Worsley, Business Manager.
Miss Muriel Harding, Soprano.
Mr. Alan Styler, Baritone,
Mr. Neville Griffiths, Tenor.
Mr. Richard Watson, Baritone.
Mrs. Richard Watson.

Although a comedian, Mr. Green admitted that he did not feel very funny at the moment as he had come direct from a visit to the Income Tax Department were he had undergone a gruelling five minutes.

He said he had enjoyed Mr. Claxton's speech but felt there was one phase of defence that he had missed and that was entertainment. While this cost very little Mr. Green felt it was necessary in times of stress to keep up the morale of our people and suggested Gilbert and Sullivan had provided just the vehicle for this objective.

Mr. Green injected a note of humour by telling a couple of good stories and closed by thanking Toronto for the wonderful reception always given the D'Oyly Carte Opera Company.

"MOBILIZING OUR IDEAS AND IDEALS"

An Address By

DONALD KIRK DAVID, A.B., M.B.A., LL.D.
Dean, Graduate School of Business Administration, Harvard University

Joint Meeting with The Canadian Club of Toronto

Thursday, February 1st, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Canadian Club of Toronto and The Empire Club of Canada: It is most appropriate that this should be a joint meeting of these two great Clubs. Dean Donald K. David, of the Harvard Graduate School of Business Administration, has received numerous invitations to address both Clubs but the first sign that the irresistible force was to make some progress with the immovable body came just a year ago when Mr. Edgar Burton, a past-president of The Canadian Club and a member of The Empire Club, obtained a tentative acceptance from Dean David. This opening was exploited frequently and resourcefully by Mr. H. G. Colebrook, the President of The Empire Club and a member of The Canadian Club. The deal was finally consummated several months ago by Professor Edward Ballon of the University of Toronto, a most recent graduate of the Harvard School, who was able to obtain a specific commitment from Dean David for this meeting. All of this shows that salesmanship is still one of the prime motivating forces in our economic life, a lesson that Mr. Ballon probably learned at Harvard. This is a great victory and we are delighted to have Dean David here as our guest to-day.

The unofficial motto of the Harvard School of Business Administration is "Learn to Do by Doing", and Dean David most certainly exemplifies this. A graduate of Harvard himself he served on the staff as Instructor, Professor of Marketing, Assistant-Dean, and in 1942 he became Dean of the School. Mr. David is on the firing line as well. He was for some years Vice-Pres., and later Pres. of The Royal Baking Powder Co., he was a Vice-Pres. of Standard Brands; and is at present a Director of Standard Brands, The R. H. Macy Co., The American Maize Products Co., The General Electric Co., The Federal Reserve Bank of Boston, and The First National Bank of the City of New York. He is also a trustee of the Ford Foundation, and of the Rockefeller Institute of Medical Research. Of particular interest to Canadians is the fact that Mr. David has just been named as one of three Public Trustees to administer a substantial block of stock of Aluminium Limited.

This, gentlemen, should explode once and for all the myth of the academic cloister. Harvard University has pioneered in the field of Business Administration by emphasizing the corelation that should exist between the academic and the practical aspects of modern business and in this way has made an outstanding contribution to the economic system of the United States and Canada. Similar Courses are now being offered at the University of Western Ontario, and at the University of Toronto. We have every reason to be proud of our Universities and we are at last coming to realize to the full the outstanding practical contribution that they are making to our way of life through all their spheres of activity. The subject of Dean David's address is: "Mobilizing our Ideas and our Ideals".

MR. DAVID: I appreciate deeply the honour of addressing The Empire Club. Events of the past few weeks have made me aware of the responsibility such an honour places upon me. For the decisions which our two nations made in the months ahead will largely determine whether we shall continue to advance toward or fall back from the positive goals which have made our two countries great.

Our Common Beliefs and Goals

I have chosen to talk about *our* ideas and ideals because the common beliefs and goals of Canada and the United States are becoming daily, almost hourly, of increasing importance to all of us—as vitally important as your insulin became yesterday, your nickel and uranium today.

In what may appear to be a small way—but what to me is a very significant way—I have seen first hand evidence of the basic similarities of our two countries. Since World War II we have had 136 students come to the Harvard Business School from your colleges and universities, and 28 executives from your industries. In their day-to-day work and conduct we see that the quality of their training is excellent; their understanding of current business and economic problems is sound; their fundamental ideals more closely match our own than those of the students of any other country. That is, to me, basic. In the common spirit of the youth of the United States and Canada I believe we have convincing, conclusive evidence of the depth and spread of the roots of our common ideals.

I will not attempt here to analyze the history of this spiritual kinship. I believe, however, that it has been intensified and strengthened by the crises we have faced together in the last 30 to 40 years. Two wars and a depression produced some very similar problems for our two nations. Our independent, but co-operative, efforts to face these problems have taught us how to work together and how to understand each other. Out of such experiences we have come to realize that our basic heritage is that we, as pioneers, have always sought a positive goal and have been unafraid to state that goal in the spiritual and moral values toward which we want to move. Though we know that we have never attained the goal completely, we have at least been able to measure whether we have been moving toward or retreating from it.

Now side by side and with a high degree of mutual dependency we face another emergency. In facing this new crisis we must mobilize our ideas and ideals as well as our material resources. This is the positive way to insure continued progress toward our common goals.

BUT WHAT CAN ANY OF US DO TO CONTRIBUTE TO THIS ESSENTIAL MOBILIZATION?

I am convinced that for most of us the answer lies largely within the procedure of our normal occupations. Since the occupations with which I am most familiar are business and education, I shall draw illustrations from these two fields. I hope that people in other fields will find the process valid and will draw out illustrations from their own experiences.

Barbara Ward, the attractive and brilliant English writer, in her recent book, "Policy for the West," uses two separate sentences which can serve as the framework for finding answers to our question. The first is this: "Unmobilized resources, however vast they may be, do not win wars." The second: "Never yet in human history has an ideal been defeated by no ideal at all."

Our Material Resources

Everyone knows that Canada and the States have vast resources. But in my country at least there has been a commotion of discussion of what resources were needed, what were available, how long we could stand a period of sustained mobilization, how much the people would be willing to sacrifice over a sustained period, and similar basic, practical questions. I do not claim to know the answers. But, as an illlustration of certain answers that have been attempted, I should like to refer to an article appearing in the January issue of the Harvard Business Review, written by four Business School professors and signed by 14 others. In it they make some estimates of what the United States economy could produce on a sustained basis of huge military preparations.

They conclude that the production capacity and manpower of the United States are large enough to support armed forces of 6 million men and annual military expenditures of $84 billion without "serious impairment" of the civilian economy, for as long a period as may prove to be necessary. This is significant when you realize that both the 6 million men and the $84 billion were substantially higher than most public estimates made by our political leaders.

They also point out three of the major problems in "achieving preparedness to meet Russian aggression."

First they say it is "not merely a problem of having a given number of troops and quantity of weapons available at any moment but of maintaining the basic capacity for whatever military operations may develop; nor is it so much a problem of peak effort and a swift culmination as of sustained readiness over a period of unknown and perhaps unknowable duration. . . ."

Secondly, they indicate that "we cannot concentrate solely on capacity to produce military-end-items. We must also protect civilian morale and worker efficiency, which in turn imposes the requirement of maintaining our capacity to produce an adequate supply of civilian goods and services."

Thirdly, they declare: "We must accomplish this high output of arms, this tolerable standard of living, and a steady flow of investment in new plant and equipment without running into a disastrous inflation . . . To lose our economic health in order to achieve adequate preparedness would be tantamount to losing the main battle."

I believe I am right in saying that their net conclusion is that the job can be done, IF . . . , in the words of the title of my address today, "If we mobilize our ideals and our ideas."

Our "Other Resources"

Important as is the mobilization of our economic and material resources, important as was the contribution made by these professors in trying to define the requirements more realistically and in bringing them to the public attention, they know and we all know it is not enough. It is not enough, simply because it leaves unmobilized vast parts of our greatest resources—our ideals—and Barabara Ward's statement is just as true of moral, spiritual, and ideal strengths as it is of economic resources. "Unmobilized resources, however vast they may be, do not win wars."

I should like to make some positive suggestions for mobilizing these other resources. As a first step, we must sharpen our personal understanding of what our ideals are. Many of us are much clearer in our understanding of what we are *against* than what we are *for*. We need a positive programme so that we, our peoples and others in the world, may have a clear picture of those things *for* which we stand. Some months ago I started for myself a little game—trying to list some things which, as I put it, were "as typical of the United States as the hot dog." I find it interesting and instructive to try to observe additional things to add to the list. I believe these I am about to mention apply with equal force to Canada.

First, I put the right and opportunity of an individual to amount to something. Ideally, every individual should be able to amount to something, to the limit of his own merits, abilities, and ambition, unrestricted by class or artificial barriers such as race, colour, creed, or economic position of his family. I say "ideally" because, as we all know, we can cite many instances where the ideal has not been achieved. For our purposes, however, the failure to attain perfection is not so important as the fact that the *ideal* exists and persists.

Secondly, I think we stand for a risk-taking, daring, venturesome climate. On all fronts—territorial, economic, artistic, in medicine, and even in sports, we have—at our best—stood for a creative, unafraid-to-try-the-new spirit. pioneering. When in the States the words "mature economy" crept into our vocabulary in the '30s, something was happening to the country.

The third idea I'd like to mention grows quite naturally out of the first two: we have been brought up on the ideal and love of competition. As youngsters not only did we take naturally to competitive sports but our entire growing atmosphere organized the same lesson. School teams met with one another. From sand lot to Rose Bowl we competed on our playing fields; in our spelling bees and debates, our hog calling contests, ski runs, professional sports, and even marathon dances. No wonder our elections are on a competitive basis. But our salvation—yours and ours—is that we believe we should compete in a fair and sportsman like way: play the game hard, but fair.

Fourth, our sales and marketing techniques have made possible a freedom for us, as individuals, to choose what we will or will not buy. It is interesting to note that in none of the writings of the leaders of Soviet thought, from Marx and Lenin to their current-day economists, are there references to the field of distribution or the science of marketing. I suspect that the development of our knowledge and skills in the area of distribution is the thing least understood or appreciated by our critics and may well prove to be the basic flaw in their arguments. I also believe that this freedom to choose what goods and services we will buy is one of the foundation stones of many other freedoms and must, therefore, be carefully guarded.

There are more than these characteristics which are common grounds of what makes our countries what they are. Our public school systems which are established to give additional meaning to the right of the individual to amount to something; the spirit of fair play which assures us protection and care of the aged, the infirm, the diseased, disabled, or deserted. But these will suffice to illustrate what I am trying to propose, if we remember that in our countries they are all set in the framework of millions of centres of initiative. It is this fact which offers the opportunities necessary and makes it possible to preserve the freedom of choice so necessary to carrying out our goals.

Basically we want a positive kind of freedom: freedom for the individual to do things—freedom *to* rather than freedom *from.* In my opinion, the "freedom from want" and "freedom from fear" slogans are not basically consistent with our goals: our freedoms are better expressed in the freedom of the individual to make the most of himself. And the only negative part is that he be free from unfair interference from others who might hinder his ability to show what he can do. Thus it is that the traditional role of our governments is to act as a referee, —to see that no individual, in his own freedom *to,* unfairly interferes with another's freedom. Our governments were not founded as guarantors that everyone would be a winner.

No doubt you each have your own words for these ideals, for words are coloured by the background of the person using them. Mine happen to be business-economic words. The Churchman may emphasize the dignity of man. The Statesman may use words similar to those in our own Declaration of Independence that "all men are endowed by their Creator with certain unalienable rights" and that "to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed." But no matter how you word it, these are the things we are really working for; these are the things we are really working *with.* These are the values we must maintain and strengthen, as we mobilize our economic strength.

Let me now be more specific with respect to what can be done by groups with which I am familiar, the businessmen and the universities.

The Businessmen

The complexities of our modern industrial society—with mechanization of production, specialization and routinizing of jobs, 4 out of 5 people working for someone else, the growth of factories, corporations, and unions, and our greater interdependence one upon another—have thrown some serious roadblocks in the route toward the ideals I have mentioned. And business executives are right in the midst of the traffic jam. In my opinion, theirs is a great responsibility to devote themselves seriously to the task of seeing that individuals *do* have the opportunity to amount to something according to their abilities; that a risk-taking, daring, and venturesome climate *is* preserved and improved; and that they not only avoid standing in the way but take positive steps to assure the continuation of competition, hard but fair.

There are some who warn businessmen that if they fail to do these things, their right to be businessmen will be taken away. I believe that this negative attitude, this threatening motivation is neither necessary nor will it succeed. Businessmen have been recognizing this problem more and more and are learning how to deal with it under normal competitive situations. They have begun to draw effectively upon the skills of those outside business, such as our universities, psychologists, sociologists, students of administration, and the like. As I see it, by their right actions businessmen can produce, not only our economic needs but can contribute quite as much, if not more than, any other group toward the effective mobilization of our common ideals and ideas, both for sustained readiness and long-run welfare.

Universities

Out of my own experiences and conversations within my own university I have come to realize that those of us working in the area of applied social sciences face a tremendous challenge at the present moment. There can be no doubt that, within our lifetime, the physicists, chemists, and biologists have demonstrated that those who are working, at least in part as scholars, can effectively apply their knowledge to the solution of practical problems. You can cite examples such as atomic bombs, radar, and penicillin. The real question is can the scholars in the social sciences match these performances by demonstrating that they too can apply their knowledge to finding answers to practical problems, such as the strengthening and preservation of our democracy and our economy.

I think they must. I think they can. One reason for my conviction grows out of our experiences at the Harvard Business School where the Faculty has been aware of this problem for some time. Let me list some hopeful developments. I cite these in order to be specific, to show there are ways, and certainly not to claim that they are the only ways.

Some years ago a group at the Harvard Business School under the leadership of Wallace Donham, Elton Mayo, and Lawrence J. Henderson brought together economists, sociologists, social psychologists, anthropologists, and medical experts to study the problems of human beings in modern working situations. This group evolved the concept of "human relations" and has been working continually with our own Faculty of business administration. We have come to believe that administration is that ability to get the world's work done through human beings. Measurable progress has already been made, and I believe continuation of this type of co-operative effort among social scientists holds high promise of eliminating conflicts, increasing satisfactions, and adding to our personal and economic goals in all types of administrative effort.

Again, at the School we are studying and working with the problem of selecting men for admission to the School, following them through two years of study, watching them search for and select their jobs, and keeping in touch with them even after they are on the job. We are, through this process, learning much about how to avoid putting square pegs in round holes, and what is more to realize and deal with the fact that human pegs do not always remain the same shape—you have not finished when you put a round peg in a round hole—you must see that the peg and the hole continue to match. Success in this area can do much to save human frustration and great economic and social loss.

Of more recent origin is the simultaneous and independent development by the Medical School, the Human Relations group, economists, and the Business School of a growing body of knowledge and interest in geriatrics and gerontology, the study of old age.

By way of illustration, one problem which concerns them is the automatic retirement of workers at age 65.

There is evidence that using a set age limit frequently produces some unfortunate effects for the individual, for business, and for society, because calendar age and physical age are not the same for all people. Automatic retirement keeps some people at work too long, retires others too soon. Too many people are not prepared for a useful and full life in retirement. Such a process can deprive us of needed production, and it completely neglects the human aspects of the individual worker.

The developing science of gerontology holds great promise for arriving at practical answers to the immensely practical problems in this area.

I should also like to mention the most recent development at the Harvard Business School, the organization there of the Mobilization Analysis Centre. This has been set up to work directly with the government on research and fact finding projects dealing immediately with problems of defense and industrial mobilization. We hope that such research will tend to fall between day-to-day concern with operating problems and long-run explorations, and it will develop into an immensely practical way of allowing our trained specialists to participate in the successful mobilization of all our country's resources.

Finally, I should like merely to refer to an underlying problem faced by all universities in these times of stress. Many people question the advisability of allowing young men and women to take time out from immediate production and military service to go to school. Universities are under pressure to change, dilute, or suspend much of their regular programmes. There is, of course, a growing recognition of the need for exceptions to train doctors, engineers, scientists, and the like skills are urgently and obviously needed in time of emergency.

But as yet there is no such clear-cut recognition of the emergent need for training in and perfection of ideals, the skilled development of moral and ethical values, or training in human relations and administration—these, being intangible, do not appear to be "obviously needed." A continuing task of our colleges and universities, then, is to define clearly what their contribution to the mobilization of our intangible resources actually is and can become. For, if we are in for a long period of sustained preparedness, the need for what education *should* provide is far greater than in short periods of all-out war. To put it bluntly, real education is one of our basic civilian requirements.

In addition to some of the other programmes to which I have referred, we at the Harvard Business School are examining all our programmes of instruction and our research activities to determine what changes should be made—and many changes are under way.

I trust that these rather personal references to what we are doing will be taken in the spirit in which they are given, that is, to illustrate concretely my two main points: (1) the way in which each of us can participate in the mobilization of our ideas and ideals is intimately related to our regular occupations, and (2) from my own experiences I have developed a feeling of optimism that our two countries will in fact accomplish this necessary mobilization in a way which will keep us moving with steady progress toward our basic goals.

I have come to believe that these fields of endeavour constitute a "new frontier" which will be the means whereby our countries continue on the road toward their ideals.

We are all aware that throughout the history of our countries there were some who thought our progress must end as one frontier after another disappeared. When we had all but conquered our territorial frontiers, there were some unimaginative people who thought our growth was over; but, science, technology, and yes, business created new frontiers which raised our physical standards of living to heights the early pioneers had never thought possible. Now these frontiers have been pushed so far that some fearful people believe, not only that progress must stop, but that we have created a Frankenstein which will destroy us. As I see it, however, if we recapture, cling to, and accelerate our traditional approach toward ideals and human values, precisely the opposite can be true. A new frontier to conquer is opening up before us—

the frontier of knowledge of human and administrative affairs—a frontier, like the others before it, filled with opportunity whereby we can push ahead still further toward our basic ideals and make them more of a reality.

Cautious persons may urge prudence, may suggest not probing the new frontier until the emergency is passed. To this I cannot in honesty agree, for the simple reason that what lies beyond that frontier is both what we are fighting *with* and what we are fighting *for*. The more we learn about it now, the better chance we have to win and the better chance we have to have something worth-while after victory.

True, we shall have to postpone some of the long-run explorations of the frontier; we shall have to adjust our immediate sights somewhat. But, I believe we must move on; that each of us individually can determine the part we should play; and that if we are true to our ideals and each and every one of us makes the effort, we shall succeed.

VOTE OF THANKS, moved by Mr. R. F. Chisholm, President of The Canadian Club of Toronto.

"LOOKING AHEAD IN THE COMMONWEALTH"

An Address By

HON. SIR ALEXANDER CLUTTERBUCK, K.C.M.G., M.C.
High Commissioner for the United Kingdom

Thursday, February 8th, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are particularly pleased to have as our guest to-day the Hon. Sir Alexander Clutterbuck, K.C.M.G., M.C., High Commissioner for the United Kingdom in Canada. Many of us remember the occasion of Sir Alexander's first visit to this Club in 1948 and his outstanding message at that time concerning the remarkable industrial recovery taking place in the Mother Country—an address that is well worth rereading in our year book. Leaving Cambridge University, where he was a scholarship student in Classics, Sir Alexander served in the First Great War as a Captain with the Coldstream Guards. He was mentioned in despatches, and awarded the M.C. for gallantry in the Field. Following the War he entered the Civil Service and was a Specialist on the Far East in the Colonial Office. In 1928 he was appointed to the Dominions Office and was a Member of the United Kingdom Delegation to the League of Nations Assembly. As Secretary of the Newfoundland Royal Commission, Sir Alexander visited Canada and Newfoundland in 1933 and in 1938. In 1939 he became Deputy High Commissioner for the United Kingdom in the Union of South Africa, returning to London in 1940 to take charge of the Dept. of Dominions Office dealing with the economic and financial side of the War effort. In 1942 he became Assistant Under Secretary of State for Dominion Affairs and accompanied Mr. Attlee, who was then Deputy Prime Minister, on his visit to Canada. In 1946 Sir Alexander succeeded the Rt. Hon. Malcolm Macdonald as United Kingdom High Commissioner in Canada. This, gentlemen, is a career of devotion and service to the Empire for which we are all grateful. The Hon. Sir Alexander Clutterbuck will now speak to us on the subject "Looking Ahead in the Commonwealth".

SIR ALEXANDER CLUTTERBUCK: Mr. President and Gentlemen, it is a great pleasure indeed for me to find myself in your company again, and I thank you for the reception which you have given me. I feel indeed it is a special compliment that you have been willing to hear me once, not to say submitting yourself to a double dose.

Well, Sir, my first words would be one of apology to you, on behalf of the members of the British Government, who, in visiting Canada, were looking forward eagerly to coming to Toronto and pay their respects to this Club, and then owing to the exigencies of the day had to cancel their plans unexpectedly at very short notice. This was a great disappointment to them and they deeply regretted also the inconvenience which was unavoidably caused to the Club. It is the sort of thing that happens when, as in our case, you have a close balance between the different major Parties in the House of Commons, and when, as last night, for instance, every vote is important. And sometimes we meet strange situations. I remember one Minister who was summoned back from Vancouver, where he was just about to start from on a tour across Canada, and he had to take the first plane, and on arrival in London found that the opposition had relented and that the event for which he had hurried back did not take place at all. And another visitor out here, a member of the British Government, said that he could not help envying the members of the present Canadian government who, whatever cares they had on their shoulders, at least were spared the anxieties of watching the sick list in the House of Commons day by day, and he thought he would be better occupied by abandoning his mission and studying the ways and means of this government by which it had reached this status.

I do apologize to you on their behalf, and I do thank you very sincerely for the generous and understanding manner in which their position was accepted.

Now I should like to talk to you for a little while on the subject of looking ahead in the Commonwealth, a very wide subject, but one which is appropriate to the circumstances of today, when we are living in harrassing times, and are all anxiously peering into the future and trying to assess the prospects of reaching that long-dreamt-of goal, a return to normal peace conditions, when men can breathe freely again and nations can live their own lives without interference.

Yes, we are living in difficult times today. 1950 was a good year in many respects, and particularly from an economic standpoint. In Canada, we went on here, from strength to strength in this ever-growing and expanding economy. In Britain, there was a marked economic revival, a turn at last, of the economic times. We could at last see daylight ahead of us in this uphill struggle which we have had since the war. And in Western Europe, too, there was a great new economic surge forward. And if we had been given another year, with conditions in the world like those in 1950, the whole position would have been transformed and new prospects would have been opened up for reaching that objective for which we are all striving, the objective of sufficient recovery to enable us to abandon all these trade controls, and reach again the general free convertibility of currency.

But, alas, that was not to be, for while this economic recovery was taking place, there took place at the same time an increase in political tension, beginning first with the sudden invasion of Korea, which burst like a bombshell on the world,—the invasion of Southern Korea by the North Koreans, sponsored and encouraged from outside.

And when that situation seemed to have improved, it was suddenly intensified by the intervention of the Chinese Communist Government, and what was more surprising still, when one looked at the situation calmly, it seemed to follow the trend that had set in since the war, it was part of a pattern of the first war period, it was part of a pattern whereby Russia has denied to us all co-operation in our efforts to rebuild the shattered fabric of the world.

And this trend has been observably becoming more and more clear as time went on since the war, but it took some time for the Western nations to realize that this obstructionism on the part of Russia was not just a temporary policy caused by suspicions and misunderstandings, which we could by persistence and patience remove, but it was part of a deliberate set design, that Russia did not want to happen, improvement in world conditions, that she was out to exploit every possibility of unrest, she was out to exploit economic conditions wherever that could be turned to her advantage, national movements, anything that would make for disquiet in the world.

The writing was on the wall two years ago, and resulted, as you remember, in the signature of the North Atlantic Treaty. The Free Nations of the world realized that they had to band together and combine their strength. After every other approach had been tried, there came this new and revolutionary step under which the nations on both sides of the Atlantic combined in peacetime on this new basis of one for all and all for one, showing the red light to the world, a signal that an attack on one would be considered an attack on all, and in the last two years this process of building up strength has been going steadily forward.

The ground work has been laid for this new collective defence effort, but even so, progress has been slow. But after the sudden awakening and jolt which we all had with this Korean invasion, the realization swept the world that we had no time to lose, and that collective effort is now going forward with increasing momentum, involving us all, as we all know, in tremendous defence programmes

January 18th, 1951: Below—Lady Tweedsmuir and The President, Mr. Sydney Hermant.

Above—Lord Tweedsmuir addresses the meeting. To his left in the picture is the late Hon. and Rev. H. J. Cody.

which have to be carried forward now with the utmost speed and determination.

Well, Sir, I won't say very much about Korea, because the Korean crisis is canvassed daily in the press from all angles, but there are one or two points which I should like to make in passing.

First of all, we should all pay tribute to the great initiative of the United States, in so promptly and so readily shouldering, on behalf of the United Nations, the main burden in Korea, and undertaking in the common cause this long, costly, arduous and often thankless campaign. It has given new hope to the world and new life to the United Nations. It has shown the world that the free countries are determined to persevere, cost what it may, in their efforts to create a new world order where aggression will not pay.

And, secondly, let it not be supposed that there is any rift, as is sometimes suggested, between the United Kingdom and the United States in these matters, in policy. Such differences as have appeared have been differences of emphasis and timing which is quite a different thing from differences on policy. No, Sir, on all fundamentals, we are agreed. We stand together in the world, and as Mr. Attlee said in Washington, "wherever the Stars and Stripes fly today, the Union Jack will be found flying side by side."

And, thirdly, I would like to draw attention to the role played by India in these events. India is the main bridge today between the East and the West, and she is particularly well equipped to play that role, because as a member of the British Commonwealth she has close associations with the West, but at the same time as a leading power in Asia, she is very well equipped to interpret the aims and purposes of the West to the Chinese government and the Chinese people.

She has also the advantage of having at the head of her affairs a distinguished statesman of world stature, whose integrity and ideals are unquestioned in any quarter. She has made patient and persistent efforts to promote an atmosphere in which an agreed settlement could be arrived at. Those efforts have not so far been successful, but it is surely not too much to hope that fresh opportunities will soon occur, with the improvement in the military situation which we have witnessed in recent weeks, fresh opportunities in which India's interests in the great work of reconciliation can be used to the general advantage.

In the meantime none of us can doubt the tremendous impact which she has had on the situation as a whole.

When I look back I can not help feeling exceedingly thankful that the great events which led to India and Pakistan and Ceylon becoming full and free independent and sovereign nations, and yet of their own volition, in spite of the attainment of their full independence, voting to remain in the British Commonwealth, surely that is something which we must all be thankful for and thankful indeed that it has occurred before this great upheaval in the East. India, Pakistan and Ceylon are today the living proof of the falsity of the Russian doctrine which they are so insidiously trying to spread, that there is no freedom in association with the nations of the West, and that influence in this whole Eastern problem is going to be very profound indeed.

And the fourth reflection which I should like to leave with you, is that the Commonwealth as a whole is playing a notable part in the solution of this crisis.

In the military field, Britain, Canada, Australia, South Africa and New Zealand, have all made an effective contribution, in association with the United States, but in the political field, apart from the role played by India, Canada too has been playing a very important part through her Secretary of State for External Affairs, Mr. Pearson, whose international prestige and outstanding qualities have made him an effective instrument in efforts in attaining mediation for reconciliation. If we get by this corner satisfactorily, and I am an optimist on that score and think we shall—it will be in no small measure due to the sane and balanced outlook of the countries of the Commonwealth and to the effectiveness and persistence of their efforts in creating an atmosphere in which a solution becomes possible.

While all this is happening we must not forget that Europe remains the vital problem. There again the United Kingdom and Canada are in close partnership. We are both members of the North Atlantic Treaty of course; we are both members of the O.E.C., the European Organization of Economic Co-Operation, and great progress has been made in the last year in fostering economic integration in Europe.

Efforts have been made not only in connection with the freeing of European trade, in enabling free exchange of European currencies, but in many other ways, and Britain has been doing all she can to foster that movement, only making it clear that it is impossible for her to join in any movement for federation.

And now European morale has received a new tonic through the appointment of General Eisenhower as Supreme Commander. The vicious circle has been broken, where it was said, on one hand, that there was no use in appointing him Supreme Commander until he had adequate forces to command, and where on the other hand it was said there was no use to devise plans before it was known what was being done would be acceptable to whoever was appointed to Supreme Command. That vicious circle has been broken, and now the defence programmes are gathering momentum, and we are all faced with large new defence programmes entailing large sacrifices of course.

This is not an unpromising picture. On the other hand, we ought to be grateful for what has been achieved, and we must be thankful too that our two countries are in a far better position today to bear these new burdens than they were only a short time ago. Canada has enjoyed great prosperity since the war, and her economy now is stronger than it has ever been.

In Britain, as I have said, there has been a marked economic recovery, which has surpassed all our best expectations. Our reserves, before devaluation, at the low limit had sunk to $14 million dollars, and today they are more than double. Productivity last year rose by 7 or 8%, that is in national output, about double the rise which would normally be expected from any highly industrialized economy. Our exports are running at record tempos, over 2,000,000,000 pounds worth per year, or over $6,000,000,000. The whole of our industry is alive and alert. The wheels are really moving. And, above all, we are scientifically in the van.

And the result of all this was we were able last year, as you no doubt saw in the press, to reach an agreement with the United States under which we dispensed with Marshall Aid 18 months before it was due to end. Well, Sir, that was encouraging, and we are thankful that although we are now faced with these new burdens, we had that chapter at any rate behind us.

And other parts of the Commonwealth have also been forging ahead. In Australia and New Zealand they have been receiving record prices, undreamt-of-prices for their raw material, particularly for their wool, and there is of course an insatiable demand in these days for all their food production.

The Commonwealth as a whole, therefore, is economically in a much sounder position today than it was two years ago, and much better equipped for the new tasks now confronting them.

Well, Sir, these burdens that I am talking of are very much the same in your country as in ours. You will now have great problems, as we will, in dealing with inflation and the rising costs of living. You will have the same problem that we have of trying to provide labour in a defence production from an economy in which there is already full employment, and that means that you can only do it at the expense very largely of either exports or home consumption, which in turn means a certain lowering of the standard of living. You will have the same problems of devising ways and means of condensing this great programme, how far it can be done on a pay-as-you-go basis. And, above all, you will have the same problem that we have of a higher sense of thrill with the utmost energy of carrying through these problems.

We must all also remember that it would be fatal to move into a wartime economy in peacetime. That would be playing into the Russian hands. We must keep our economy robust and alive and vital, because to back our defence programme and to back any efforts which we may be called upon to make, we must have a vital economy at the back of us.

That was made pretty clear by President Truman himself in his recent speech, and that is now recognized everywhere. It will not be easy for any statesmen to draw the happy mean amidst these series of problems. But the great thing is that we are all in this together.

The recent meeting of the Prime Ministers showed how close we are in our outlook on the main problems of the world, and if we have this common outlook and common objective, the striving as far as we can and as quickly as we can to go up to strength.

Is there any special mission which the Commonwealth has to undertake today? I would say Yes, that we have a special mission in bringing the East and the West together. We must disprove Kipling's words—much as I admire Kipling—we must disprove his words, that "East is East and West is West and never the twain shall meet." THEY HAVE TO MEET, and we have to show the world that the differences today are not between East and West, but between the Moscow brand of Communism and the free way of life.

The Commonwealth today, with India and Pakistan and Ceylon, is the main great bridge to show them more clearly than can be done in any other way.

But more than that, we have taken the initiative, as you will have seen in the Colombo Plan, we have to make clear to the Eastern countries that the Western countries don't stand here merely as exploiters, as traders: we stand for the welding of all countries: we want to help them to step up their economy. We are prepared to assist them to the utmost of our ability as friends, and not as superiors.

The Colombo Plan began with a meeting of the Ministers of the Commonwealth in Colombo over a year ago. It was a conception of which people took very little notice at first, but now it is very much in prominence, because it is generally inferred that this is the right line of approach if we are to get stability in the East.

So between us, we have a great mission: those on the political side in bringing home to the East that we have much more to offer than anything that Russia has to offer, and on the economic side, in bringing her to that realization, that we are out to help in every possible way.

And if we can do that I am sure that we shall see a great improvement in the position.

Now, Sir, in all this, we must work as closely as possible in co-operation with the United States. That is point 1 in any policy. I would regard the United States personally as another member of the Commonwealth. We have no secrets from them, and we stand together in all the things that matter. It is one of the things which pleases me most today, is the growing realization on both sides of the Atlantic, no matter what differences may appear in the press from time to time, no matter what criticism may come, the great realization that we are really brothers-in-arms, that the Commonwealth is indispensable to the United States and the United States is indispensable to the Commonwealth, and the core of the whole matter is the North Atlantic Pact—the United Kingdom, Canada, the United States, working together. It was found over and over again in the last war that there were no problems which could not be solved by combining our efforts. Since the war that co-operation has deepened and broadened.

It must be fostered by every means in our power, and that is something which we can all do, and all help to follow.

Well, if we can stand together, and make clear to the world that nothing will ever be allowed to divide us, and if the great resources of the Commonwealth can be matched with the great resources of this North American Continent, and an overwhelming preponderance of strength on that broad basis, surely we can face the future without fear.

VOTE OF THANKS, moved by Mr. Tracey Lloyd, a Past President of The Empire Club of Canada.

"BUILDING FRONTIERS WITH ALUMINUM"

An Address By

McNEELY DUBOSE, B.E., E.E.
Vice-President, Aluminum Company of Canada

Thursday, February 15th, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: One hundred years ago Aluminum was more precious than gold. It was known that there were tremendous quantities of aluminum ore available in the earth's crust but the problem was to extract it. In 1886 this problem was solved simultaneously by Charles Martin Hall of Oberlin, Ohio; and Paul Louis Herroult of France. Neither knew of the other's work. They were both 22 years of age and made the discovery in the same year. To climax this series of coincidences both died in 1914. It was 13 years after the discovery of the electrolytic process for making aluminum that the aluminum industry came to Canada. Construction was started on a small smelter at Shawinigan Falls and the first aluminum ingots were cast on Oct. 20th, 1901.

In the mid-twenties to meet the demand for increased aluminum production the City and Plant of Arvida were brought into being in Northern Quebec. Arvida was named after Arthur Vining Davis, a pioneer in the industry, and now Chairman of the Board of Aluminum Company of America. The huge plant at Arvida has brought the Saguenay Valley into a new era of social, civic and economic growth. To supply the plant with needed electricity the great Shipshaw Power Development was constructed; wharves were built at Port Alfred; railroads extended and thriving towns developed. In 1947 the Hydro Electric System of the Aluminum Co. of Canada in the Saguenay generated more than 20% of all the electrical energy produced in Canada. To-day the Aluminum Co. of Canada, which is a subsidiary of Aluminium Limited, has 12 plants in Quebec and Ontario, the latest being in Etobicoke in the Toronto District. For the past several years the Aluminum Co. have been carrying on a preliminary survey of the Tweedsmuir Park area in British Columbia with a view to establishing a second Canadian Aluminum industry on the West Coast. It is, of course, purely coincidental that on this day, Thursday, Feb. 15th, 1951, the date set for the nationalization of the Steel Industry by the Labour Government of Great Britain, we should pay our tribute to the judgment, vision, energy and resourcefulness of those who have conceived and created this great free enterprise which has contributed so much to the industrial delevolpment of Canada and the Empire. To tell us about it we have as our guest to-day Mr. McNeely DuBose, the Vice-President of the Aluminum Co. who is the senior officer in charge of the operations in the Saguenay and the work being projected in British Columbia. Mr. DuBose has spent his entire lifetime closely associated with the development of Hydro Electric Power and the Aluminum Industry. In addition to his work in the United States and Canada he has served as an Engineer in Panama and in Spain. He is a Past-President of the Canadian Electrical Association, and Vice-President of the Engineering Institute of Canada. Mr. DuBose will now speak on the subject: "Building Frontiers With Aluminum".

MR. DU BOSE: I appreciate the honour of being asked to speak to the Empire Club of Canada and am happy to do so, for I am going to talk about aluminum which is always a pleasure to me. I have been working with aluminum for thirty-five years and very absorbing years they have been, for during that period the world's demand for aluminum has increased by fifteen times, Canadian aluminum production has increased twenty-five times, and

Aluminum Company of Canada Limited and its group of companies around the world, now numbering some fifty and headed by Aluminium Limited, also a Canadian company, have crystallized a pattern of building new aluminum plants along the borders of habitation, which I call "Building Frontiers with Aluminum".

During this period the aluminum producers have felt obligated to keep pace with the demand and that has been a back breaking job at times. The reasons for the rapid increase in the use of Aluminum and why the original producers are the ones who have always borne the brunt of expanding production facilities are perfectly natural when understood and I am going to try briefly to explain them.

To begin with there are many unusual things about aluminum. It is the most plentiful metal in the world. Twice as much as iron; 1,000 times as much as copper, 2,000 times as much as zinc; 4,000 times as much as lead; and yet aluminum is far younger as a commercial metal. The reason is that, in nature, aluminum never occurs in the metallic state and it was only 125 years ago when the human eye first saw the metal aluminum.

Strange to say, aluminum was foretold years before it was seen. In 1807 Sir Humphry Davy prophesied the discovery of a light white metal and even named it, aluminum, derived from alum, the ore from which he, and many other scientists sought to produce the elusive metal.

The situation was something like that of a fisherman telling a friend of the enormous trout which got away. "Yes, he said, "It was a speckled trout all right, a real Fontinalis, but it was terrific, it was over two feet long and must have weighed twelve pounds. Its speckles were as big as dimes! Why, I could have put my whole fist in his mouth! I'll declare, I never *saw* such a fish." "Well," replied the friend, "I'm glad you've told the truth at last". And that's the way it was with the early searchers for aluminum. They could tell its description, its weight, and even its name, but no one had actually seen the metal, or could prove that he had seen it.

In 1826, a Danish chemist, named Aerstedt, at last produced bits of the metal by a complicated chemical process and it was renamed aluminum to correspond with alumina, the oxide from which it was most readily produced. Again, years later a European scientific group changed the name to aluminium—to line up with the "ium" group of metals, calcium, barium, strontium and so forth, but on this continent that change was never recognized. In our own group of companies the Aluminum Company of Canada Ltd., is the world's largest producer of aluminum as we call it, but our parent company Aluminium Limited, deals around the world in aluminium.

But aluminum was so hard to produce by chemical process that it remained little more than a curiosity. In 1855 Napoleon III ordered some to equip his army but it proved impractical on account of the high cost.

And then in 1886, a young chemist, named Charles Martin Hall, working in his father's barn in Ohio, and simultaneously Paul Herroult, in a corner of his father's machine shop in France, each discovered the electrical process by which aluminum could be produced inexpensively in large quantities. The process sounds simple. A natural salt called cryolite, mined in Greenland, is melted at 1000° C. in an iron pot lined with carbon. Pure aluminum oxide is dissolved in the molten cryolite, and a current of electricity is passed from a carbon electrode dipped in the cryolite, to the carbon lining of the pot. The electricity separates the metal from the red hot solution, and it collects in the bottom of the pot.

Young Hall took his process to Pittsburgh, where he, and backers who subscribed $20,000 for the venture, built the first aluminum plant, which was an electric powerhouse and a potroom, all enclosed in a 50 x 75 foot sheet iron shed. The equipment consisted of a 125 horsepower steam engine with two electric generators, half a dozen carbon-lined pots, about 4 ft. by 1¼ ft. by 2 ft. deep each with 20 carbon electrodes 3″ in diameter hung by ½″ copper rods from 2 copper clamp arms. The aluminum ore was kept in a five-gallon glass bottle. The aluminum metal was removed from the pots by dipping down through the molten cryolite with a small ladle. Each ladleful was cooled. The button of aluminum was cleaned, and stored in an old safe in a corner of the building. At last aluminum production was really under way on a big scale.

But the going was hard, and I will tell you something of those early days because they set the pattern which has made aluminum a "Frontier Builder".

The Pittsburgh plant could produce several tons of aluminum a year but the demand did not exceed one ton. The price had been brought down to $5.00 a pound but no one was tempted to use the new metal. The price was cut to $2.00 a pound, but even that did not create the needed demand, and the aluminum business was in a precarious way.

The people who had gone into the aluminum business had faith in its future, so they faced the facts and decided the price must be brought down to $1.00 a pound, but that would require a plant producing 100 tons per year. By superhuman effort the money was borrowed and a new plant was built at New Kensington, a few miles out of Pittsburgh where costs would be lower.

But the $1.00 price did not produce the required business. To promote consumption, the aluminum people built a rolling mill, a wire mill and a plant to produce cooking utensils, which they peddled from door to door. The demand for the new metal increased, but not fast enough. The price would have to be lowered further to attract the market, and that would require cheaper electric power, for electric power was the principal ingredient in the production of aluminum.

Niagara Falls, New York, was a small quiet town on the Canadian border, but it had waterfalls which should be able to produce electric power at less cost than by using steam. Hydro electric power was then almost unknown and its practicability uncertain, but courage carried the day and a long-term contract was made to purchase the then considered enormous amount of 2,000 electric horsepower. On the strength of that contract, the first so-called large hydro electric plant in North America was built and a new and larger aluminum plant commenced operation at Niagara Falls in 1895. With cheap power to spare over and above the needs of aluminum, Niagara Falls soon became a beehive of expanding industrial activity, and the role of aluminum as a "Frontier Builder" had begun..

Lowered price, and intensive research to develop strong alloys of aluminum, and to work out new techniques in rolling and drawing aluminum, were developing a real market for the metal and the success of the policy of reducing price to extend the demand soon set eyes wandering for more and cheaper hydro electric power.

On the St. Maurice River in Quebec was a fine power site. After much thought and study a long-term contract was made to purchase 5,000 horsepower from the Shawinigan Water & Power Company, which at that time had no power plants at all. Thus encouraged, the Shawinigan Company was able to finance and build the first major hydro electric power development in Canada, and in 1900 a new aluminum plant was commenced on the St. Maurice. Power was plentiful. Other business followed. People were attracted, and the Town of Shawinigan Falls was incorporated and became an industrial city. Another "Frontier" had been opened.

Years passed, the demand for aluminum grew and with lower prices and broader markets in view, cheaper and more plentiful power had to be found.

The Saguenay River, in Quebec's little-known Lake St. John region, would be a grand source of power—maybe too grand—for the smallest practical plant on that great stream would develop half a million h.p. For 20 years the owners of its power sites had sought in vain for a customer who might profitably settle in that remote area and consume hundreds of thousands of electric horsepower.

The answer turned out to be aluminum, which would bring its own raw materials with it—bauxite from the tropics, cryolite from Greenland, petroleum coke from Texas, and would require from the Saguenay only its wasting water power and a tidewater port for the entrance of its supplies. And so in 1926, the Isle Mailgne development on the Saguenay River began to supply electric power for aluminum on a new frontier at Arvida, Quebec.

The Arvida potrooms would consume 100,000 h.p. and produce 30,000 tons of aluminum per year, and there was more power yet for expansion. But even 30,000 tons was far more aluminum than Canada could use, so why this great capacity? The answer involved a far-reaching decision. With more and cheaper aluminum, the Aluminum Company of Canada, Limited, which we call Alcan for short, planned to go after foreign customers and sell its aluminum around the globe.

That far-reaching decision included a plan to let the Canadian companies take over all foreign trade, and after 2 years of preparation the Aluminum Company of America, which had been the full owner of Alcan, sold to a new Canadian company called Aluminium Limited all of its mining, manufacturing and sales properties outside of the United States with the exception of the Dutch Guiana bauxite mines which were required for the continued operation of the old company. The stock of the new company was divided among the shareholders of the old company.

To those of us in Canada who had grown up with the Aluminum Company of America, the parting was quite a wrench, for the separation was complete. We in Canada were "on our own" with no "old folks" to lean on in times of stress.

But we were not downhearted. The old company might "stick to its knitting" at home if it wished, but we in Canada had visions of a tremendous output and reducing the price until Canadian aluminum was in demand all over the world.

With that high hope, construction was commenced at Shipshaw, to be the world's greatest power development. But then the depression struck. Only the first stage of Shipshaw was completed and even that stood practically idle until the war clouds gathered. Immediately the British wanted aluminum and quickly. Electric power would have been the bottleneck had it not been for the first stage of Shipshaw which was there standing by to carry the load. But the British Ministry of Aircraft production called for quantities of aluminum that would require a quarter of a million horsepower more than Shipshaw No. 1 could supply. Questions filled the air. Should the second stage of the Shipshaw development be commenced? How quickly could it be built? 250,000 h.p. was not enough to justify building Shipshaw No. 2 but, maybe, still more aluminum would be needed. Yes, but on the other hand maybe the war would be over before a job the size of Shipshaw could be finished. And how could such a huge job be financed? Shipshaw No. 2 would cost millions. In the face of that, should Alcan start the job?

Why, after all, should Alcan "stick its neck out"? Alcan was doing all right. If the project were successful, Alcan's income, after taxes, might not be increased. If not successful, Alcan would "lose its shirt", so to speak. So why do anything?

The answer to that question is extremely significant, for it supplies the second clue to Alcan's role as a frontier builder. The answer was simply this. Alcan must start Shipshaw No. 2 because: aluminum production *had* to be expanded as fast as possible, because building Shipshaw for the power and building potrooms at Arvida to use the power was the *quickest* way to expand production and because Alcan was the *only* group in Canada qualified to do the job.

That invites another question. Why was Alcan the only one in Canada qualified to expand aluminum production? Again the answer is simple. It was because an aluminum plant is so costly to build that no one else had ever tried it and learned how.

There is invested in Canada for aluminum production $33,000 for each and every one of the 12,000 Aluminum employees here, not including the sums invested abroad in mines for raw materials and in foreign sales outlets required for the Canadian business. The simple fact is that it would take so much more money to go into the aluminum business than any other sort of venture that no newcomer has ever been willing or able to tackle the job of building an aluminum plant on his own responsibility. So that is why there was none other in Canada to share with Alcan the risk and responsibility when it came to rapidly expanding aluminum production to meet the war's extraordinary demand.

So Alcan faced its self-imposed responsibility and completed Shipshaw in record time with its capacity of one and a half million horsepower and the aluminum smelters to go with it, and Alcan raised, on its own responsibility, every penny that went into the project. It worked so fast that the job was begun with only the promise by the Government of Canada to co-operate and to do all it could to assist the project other than by direct appropriation. Later an agreement was made allowing Alcan to take accelerated depreciation on the cost of the greater part of the project, at the penalty of losing that depreciation later on, a deal which has proved profitable since for both Canada and Alcan, and which at the time provided Canada and its Allies with quantities of much needed aluminum at a *lower cost* than that of any aluminum otherwise obtained by them.

After a postwar recession, Alcan's established policy of bringing down the *price of aluminum* to the fullest extent possible, coupled with the soaring prices of competitive metals, brought amazingly rapid results and soon the aluminum plants were again running full. The region was prosperous and growing, new industrial projects were pushing by toward the horizon and the Saguenay Valley was no longer a frontier.

So, once again, Alcan began to look toward new frontiers where it could continue its policy of being prepared to provide low-cost hydro electric power in advance of the demand to further reduce the price of aluminum as compared with competitive materials and thus expand the market.

As might be expected, the most intriguing locations are always the most difficult. Alcan sent investigators to British Columbia, Labrador, Norway, South America, Africa, Borneo and New Zealand from whence had come invitations telling of fine power sites. The pattern of

Alcan's approach has been somewhat the same for each of these projects and I will give you a brief history of what has transpired in regard to Alcan's British Columbia power and aluminum project which is typical of the general procedure, up to a point.

Before I came to Canada 25 years ago, I had heard of a million horse power hydro electric site in British Columbia, but thought no more of it until 1941 when the Premier of that Province invited Alcan to consider British Columbia for an aluminum project. We sent several emmissaries to look things over, but Shipshaw No. 2 was ready for a start and when the pressure came to "get going", we concentrated on Shipshaw and the British Columbia project was dropped.

But in 1947, when Alcan was looking around for a new site, British Columbia again invited us to consider its possibilities. We did, and our engineers spent the summer of 1948 in the field and the winter in the office checking the British Columbia Government's engineering reports on three separate power sites on the West coast. Our engineers decided that two of these sites might be combined into one most attractive project. Since then they have worked continuously to determine by aerial photography and by measurements on the ground the heights, distances and river flows involved, and by digging, drilling and geological deductions the subsurface conditions to be encountered.

For this project the storage reservoir would be located in Tweedsmuir Park which lies at elevation 3,000 feet on British Columbia's rolling inland plateau just east of the coast range mountains and south of the trans-continental railway line to Prince Rupert. In this Park two parallel chains of lakes rise between the mountain peaks and extend eastward, and like the two legs of a wishbone they bend toward each other and meet 100 miles from their source to form the Nechako River, a tributary of the Fraser.

The main dam of the project would block the Nechako River canyon and hold back the water in each chain of lakes until it rose to the elevation of Lake Tahtsa, the most westerly lake of the northern chain. From Lake Tahtsa, tunnels would pierce 10 miles through the mountain range and the impounded water from the lakes would be dropped half a mile vertically through steel pipes within the rock to a powerhouse with 2,200,000 h.p. of generating equipment buried in the mountain beside the Kemano River, 10 miles about its mouth on Gardner Canal, a great fjord from the Pacific Ocean which cuts deeply into the coast range at that point.

From the powerhouse, an electric transmission line would extend 48 miles through mountain passes and over ridges to a site for a 500,000 ton per year aluminum plant site at the head of another deep fjord which the Kitimat River empties through a broad uninhabited valley which may some day boast a city of 50,000 people if aluminum goes to work on that frontier.

In truth, it is a frontier. A handful of people live on the northern shore of the more easterly lakes of the northern chain in Tweedsmuir Park and aside from that over the entire distance, almost 200 miles from the main dam site to the aluminum plant site, there is no one, only rugged virgin country. To invade it on such a scale and at such a rate is a fearsome thought as well as an enticing one. But building frontiers has always been a real challenge and as the pioneer becomes experienced, he is better equipped to invade more difficult locations.

Today, after 3 years of work and $7,000,000 spent, the scope and details of the project are well defined. And more than just engineering is underway. The access road to the powerhouse site is being built and commitments are now being made for hard-to-get construction equipment so that there need be no delay in getting this development under way. This project is the quickest and cheapest way to increase aluminum production on the prodigious scale forecast by Canada and its Allies for military purposes. As in the early days of Shipshaw, time is the essence of the problem of expanding aluminum production for war, and Alcan feels the obligation to be ready to produce the required amount of aluminum quickly when called upon.

Whether or not the call comes now remains to be seen, but when it does come Alcan expects to be ready and another new frontier will be in the making.

VOTE OF THANKS, moved by Mr. Ford Ralph, Second Vice-President of The Empire Club of Canada.

"THE EMPIRE OF MANKIND"

An Address By

HON. F. GORDON BRADLEY, K.C., LL.B., M.P.
Secretary of State

Thursday, February 22nd, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by the Hon. Gordon Bradley, K.C., LL.B., M.P., Secretary of State of Canada.

Born in St. John's, Newfoundland, Mr. Bradley attended Methodist College and obtained his Degree in Law from Dalhousie University in Halifax. Returning to Newfoundland to practise his profession he was created a King's Counsel in 1928.

In 1924 he was first elected to the House of Assembly for the District of Fort de Grave, and was immediately appointed Minister without portfolio in the Munroe cabinet. Two years later he resigned his portfolio to cross the House as an Independent, and in 1928 he contested the District of Trinity Centre under Sir Richard Squires and was elected by a large majority. Again he achieved Cabinet rank as Minister without portfolio. In June, 1929, he was appointed Solicitor General. In 1932 he became Leader of the Opposition in the House of Assembly.

With the Hon. Joseph Smallwood, Mr. Bradley campaigned indefatigibly for Confederation with Canada, and in 1946 he was elected to the National Convention as Chairman and was Leader of the first Delegation to Ottawa. Following Confederation he was appointed Secretary of State of Canada and in the election of June

27th of that year he successfully contested the constituency of Bonavista-Twillingate.

We are particularly pleased to welcome the Hon. Mr. Bradley on the occasion of this his first visit to our Club. At our meeting held on Thursday, March 31st, 1949, our President Mr. Thomas H. Howse referred to the great significance of the day following, April 1st, when the oldest colony in the British Empire was to become the Tenth Province of Canada. This tribute is on the record in our Year Book, and I would like to take this further opportunity of welcoming Mr. Bradley and assuring him that we are grateful to him and his associates through whose efforts this great contribution to Canada and the Empire has been made. Mr. Bradley will now address this meeting.

MR. BRADLEY: Half a century ago a well-known novelist put into the mouth of the Lady Tiphaine, wife of the famous Knight Bertrand in Guesclin, when under the influence of what he termed "the blessed hour of sight", the following words:—

> "Whence come they, these peoples, these lordly nations, these mighty countries which rise up before me? I look beyond, and others rise, and yet others, far and farther to the shores of the uttermost waters. They crowd! They swarm! The world is given to them, and it resounds with the clang of their hammers and the ringing of their church bells. They call them many names, and they rule them this way or that, but they are all English, for I can hear the voices of the people. On I go, and onwards over seas where man has never yet sailed, and I see a great land under new stars and a stranger sky, and still the land is England. Where have her children not gone? What have they not done? Her banner is planted on ice. Her banner is scorched in the sun. She lies athwart the lands, and her shadow is over the seas."

I suppose the writer had in mind that great political structure of his day then indifferently known as the

British Empire . . . or the British Commonwealth of Nations and its subsidiary territories which had not then attained the equality of status which for the most part they enjoy today.

At that time there were a number of empires in various stages of strength and weakness, but none possessing the solidarity, freedom and general well-being of Britain and her vast dominions.

There were the Russian Empire, the German Empire, the Austrian Empire, and the Chinese Empire, all in various stages of decay, with the possible exception of the compact German structure, whose rise had been rapid and which was, with the rest of them, nearing a swift and fearful collapse.

He did not foresee the downfall of the British Empire. On the contrary the reader was left to infer that he viewed her future with the satisfaction of a loyal subject of his Queen, and believed that she would go from great to greater things.

It is improbable, however, that, at the time, he envisioned anything more than an indefinite prolongation of the pax Brittanicus, and the ordered development of those lands which acknowledged allegiance to the Queen.

His conception of Empire was still somewhat related to the experience of the past, which demonstrates clearly that from the beginning of recorded history all Empires have lived by physical force. We see them parading through the pages of history, Egypt, Babylon, Assyria, China, Greece, Carthage, Rome, India, Spain, Mexico, Russia, Austria, Germany. They grew by the sword, lived by the sword and died by the sword, or by internal degeneracy, or by both.

In life, in growth and in death, force was the dominant factor in their story. As they rise and wax and wane one is ever conscious of the flashing of spears, the crackle of musketry, and the dull boom of bombs. They were essentially dictatorships.

Of them all, but one remains, though another has arisen out of the ashes of Imperial Russia of the eighteenth and nineteenth centuries. They are the British Empire or

British Commonwealth and the *Empire* of the Union of Soviet Socialist Republics.

Let us, for a few brief moments, try and picture the beginning, the rise to power, and, most important of all, the development of the former, for in that development and the philosophy which underlies it will be found a wide divergence from the salient features of all other empires of which we have any record.

The coming of the Angles and Saxons to Britain in the sixth and seventh centuries is usually regarded as the beginning of the story of those peoples whom we now include in the Empire or Commonwealth.

These hardy adventurers from the Eastern side of the North Sea brought with them not only that pioneering urge which in later centuries impelled them to plant their colonies in the four quarters of the globe, but also an intense love of ordered freedom which, despite the many inroads made upon it in their chequered history, they never relinquished, and a tenacious and even obstinate courage which sustained them in defeat and which their descendants, down through the centuries, have maintained even to this day.

They were not long left alone to develop in their new land. In turn they were attacked again and again by the Danes from the north, who for a time gained a strong foothold in the land, but were finally subdued and absorbed, or driven out by Alfred the Great who had succeeded in welding the various Anglo-Saxon communities into one unit under the leadership of the West Saxons.

Came the Normans a few years later who conquered but never subdued and were likewise, in time, absorbed into the Saxon race. The dual role of William I and his successors as Kings of England and Dukes of Normandy embroiled the English in many wars on the mainland of Europe, in which the backbone of their armies was not their mail-clad Knights but the bowmen of England whose cool courage and steady marksmanship so often gave them the victory against overwhelming odds.

The period of the Plantagenets, and down to the final triumph of Henry Tudor, was marked by intensive warfare on the soil of England in support of various contenders and aspirants for the throne. His victory at Bosworth Field completed the unification of England and—all unwittingly perhaps—he was responsible for the birth of the British Empire.

Through the eight centuries from the first landing of the Saxons in the Thames to the coming of this first Tudor King, the struggle of the people to re-assert and maintain their original right of participation in their own government was unrelenting and the ancient Witenagemot of the seventh century was the beginning of the democratic parliaments of the Commonwealth today. The stories of the free cities of England, notably London, and of the wringing of Magna Charta from King John, are highlights of that fight for freedom, sometimes suppressed but never subdued, which gradually won for our people the permanent right of Government by popular will because those people valued that right above all earthly possessions.

The period of the Tudors is one of great interest to us of the province of Newfoundland, for in it began that great structure, which, despite its imperfections and frequent mistakes, has done so much for the cause of justice and freedom—The British Empire.

In 1497 King Henry VII gave a Charter to John Cabot who, in a fifty-ton ship manned by eighteen English sailors, discovered the New Isle — Newfoundland — the ancient colony and cornerstone of our overseas dominions. There, in the stormy waters which surround our Island, during the ninety years which intervened between its discovery and 1588, were trained those hardy and resourceful fishermen who played such a glorious part in the Great Armada and who, by their uncanny skill in handling their small craft and their daring in attack, so confounded the great lumbering galleons of Philip II that the Spaniards attributed the defeat of their Great Armada to the foul fiend himself.

The colonization of America, the conquest of India and Further India and parts of Africa, the colonization of Australia, New Zealand and other parts of South Africa followed through the years.

In the meantime England herself was developing with the advance of civilization, increase of population, and the adjustment to changing conditions of the political principle of free government as exemplified in the primitive Witenagemot and the Folk moot of the ancient Saxons, where the free men used to signify their assent to proposed laws and rules by clashing their swords upon their shields.

In the seventeenth century Charles I attempted to turn the clock backwards by setting up arbitrary rule of his own against the will of Parliament. He appealed to the force of arms and the effort cost him his throne and his head. Some few years later James II gave evidence of a similar disregard of the public will. He was discreet enough to heed the ominous rumblings of the public discontent and incontinently fled the land.

Thereafter no monarch ever attempted to impose his will upon the people of England in defiance of the will of that lineal descendant of the ancient Saxon folk moot—the Parliament of the People.

And it is a matter of history that as this people spread over the world and increased in numbers they carried with them their free institutions and planted everywhere—not armies of occupation—but a Parliament patterned on that of the homeland, thus enabling those far flung dominions to govern themselves by popular will as their ancient forebears had done in the days of the ancient Saxon Thanes, enlarged and improved by the experience of intervening years.

Even in the case of India which, fortunately for her people, fell under the sway of England but was never colonized, the chaos and disorder which cursed that disrupted land whose ancient empire had crumbled into dust, were eliminated, and so far as possible the rule of law and human decency was enforced. More than that, a genuine effort was made to overcome the many cruel and barbarous consequences of certain religious creeds and castes and to educate these Asian peoples in a more modern way of life—to prepare themselves in fact for that self government which is the very essence of British institutions. Today that great sub-continent divided into two political entities enjoys full and free authority to direct its own destinies.

After the conquest of Canada in the mid-eighteenth century, the French inhabitants were soon accorded virtually the same rights as the English speaking people and a little over a century later the whole land was welded into one Dominion, and French speaking Canadians have given to our nation some of our ablest and best citizens and greatest statesmen. Today this land of two main races is, next to Britain herself, the most advanced and powerful member of the Commonwealth, and possesses a measure of free institutions, broad tolerance and respect for minority rights unsurpassed throughout the world.

At war with the Transvaal and the Orange Free State at the end of the nineteenth century, within a few years these enemies, notwithstanding their defeat, were welded into union with the British Colonies of Natal and Cape Colony as the Union of South Africa in a political pattern equally free and equally concerned for the preservation of human values as the rest of the Empire.

One mistake — one serious mistake — was made nearly two centuries ago by an obstinate King and ill-advised parliament.

The home Government had expended large sums of money in defending the American Colonies against the inroads of the French. It was felt, and not without reason, that some contribution should be made by the colonies for the purpose of their own protection, rather than that the over-burdened taxpayers of England should carry the whole load. The colonists contended that they were compelled to trade through England with foreign lands, which constituted a serious handicap to them and a profit to the motherland. This argument, too, possessed a substantial measure of validity.

What both King and Parliament forgot was that these colonists were of their own breed, and had been trained in the school of British democracy; that anything that savoured of enforced benevolences was contrary to the principle of "no taxation without representation", and that his failure to observe this very principle had cost

King Charles I his head more than a century before.

Feeling became very bitter on both sides, and, notwithstanding the warnings of some of the best minds in Parliament, the King and his government persisted in their arbitrary course, with a resultant appeal to battle between two branches of the same race upon the issue of a principle of free government established by their common ancestors eleven centuries before.

The colonists emerged triumphant and became a completely independent nation which has gone from strength to strength until it is today, in a material sense at any rate, the most powerful defender of our free way of life.

Thus, through the centuries since the coming of the Saxons to Ancient Britain, we can see the panorama of this great people multiplying and expanding around the world and everywhere bringing with them their free institutions—above all their Parliament.

Except in a few instances, little effort was ever made at control by the home government of the affairs of her overseas colonies, and never, after the American Revolution, was there an appeal to force.

It is true that in some cases arbitrary control was maintained until recent years. In a few, a benevolently authoritarian rule still subsists. But it will be found that in these instances the populations involved have not yet reached a stage of political development sufficiently advanced to enable them to walk alone.

Many of us can remember the First World War when all the dominions and colonies sprang to arms voluntarily to defend the motherland. Again they responded in 1939, when many of them had acquired, and with Britain's consent and approval, virtually complete political independence.

This is the British Empire or Commonwealth—a great community of nations, scattered over the globe, some of them foreign in both race and religion to the Motherland—all imbued with that spirit of freedom and respect for the dignity of the individual which has been the salient characteristic of our race down through the centuries. No force is employed to compel any one of them to submit to the orders of another. There is not even a written rule or an unwritten convention for any such purpose. And yet they live together in amity, they consult together in times of emergency, they close their ranks to defend their way of life whenever it is threatened, as they are doing at this very moment.

The other Empire of today I have called the Empire of the Union of Soviet Socialist Republics. No doubt its leaders will repudiate the appellation "Empire" for they pose and parade as the arch foes of "imperialism", as the true democracy, the great bulwark of the common people against the ruthless forces of capitalist exploitation of which our western world and particularly the United States of America is the very incarnation.

The Russian Empire of the Romanovs, because of the inherent rottenness of all police states, crumbled at the shock of the First World War. In the chaos that ensued upon its collapse, the Bolsheviks of Russia were enabled to seize power and to consolidate their position by a policy of brutal murders which remind us of the worst tales of the Reign of Terror in France of a century and a half ago, by robbing certain sections of the country to placate others, by appealing to the worst prejudices of an uninformed and desperate people, and by an unceasing stream of misrepresentation and political propaganda supported by a police organization of ever-increasing size and power.

It is true that the Russia of the Czars permitted a little in the way of political, economic or personal freedom, but the Russia of Lenin and Stalin allows none whatever where it shows the slightest indication of lack of sympathy with the ruling caste which they call the Communist Party.

No other political party is allowed to exist; the elections which are held periodically are farcical, and any expression of views critical of communist policy is the highway to the concentration camp, the Siberian mines, or the grave.

Through the years, this dictatorship — or "Empire" — of the Proletariat, has extended its borders on every possible occasion, regardless of the rights of the people whose independence is destroyed. Latvia, Estonia, Lithuania and Poland are shining examples of imperialist expansion. These people today do not govern themselves according to their own wishes and needs, but take orders for their every activity from the Kremlin.

Not satisfied with the dominance of their own lands and those they have been able to overrun or overawe, these Communists send their emissaries into the non-communist countries all over the world, with instructions to take advantage of every incident of industrial unrest or economic misfortune to sabotage and undermine non-communist society by encouraging and organizing strikes, all with a view to weakening the political and industrial structures of these countries that they may the more easily succumb to the communist creed.

Thus they propose to dominate the thinking of such countries to an extent which will enable them to set up their system, and thereafter no philosophy of government will be permitted to live. No party but the communist party may exist, no opinions save those within the communist creed may give voice.

And all this to what end? That thereafter every land and people shall *freely* govern itself in accordance with the perfect principles of Karl Marx?

Do they imagine for one moment that the various peoples around this globe, with their varying customs, religions, aspirations and standards of human conduct can all be fitted willingly into one straight jacket, one system of ordered government, laid down in the Communists manifestos?

These Communist dictators—these men who have, for over 30 years, ruled their vast empire by force, and not by reason, are realists. They know perfectly well that the human mind and the human spirit are not completely controllable, and cannot be kept forever within a given pattern if any freedom of thought or action is allowed them. If that were possible it would mean the gradual descent of both to the level of the prehistoric aborigine.

They know full well that their Marxian system cannot endure in an atmosphere of mental and spiritual freedom. It must therefore be maintained by force—by physical and mental pressures.

Their Empire is of essentially the same type as all others which, through the ages have crumbled into dust. Eventually it will travel the same road to destruction.

The British Empire, too, we are frequently told, is falling to pieces. Its various colonies and possessions have for centuries been gradually severing the legal controls of the central government in London, and today the most of them are completely independent.

How true this is! And in that very truth lies the strength—not the weakness—of our Empire. It is not an Empire of force. None of its parts has any desire or makes any effort to dominate any other. The spirit of freedom and respect for the dignity of man which all have inherited from the ancient Saxons, and which we have developed to meet present day conditions in our various parts of the world—the free institutions which we all enjoy—and the supreme value which we place upon that philosophy of life—these are the bonds which hold our Empire together. They are the bonds of the spirit and not of the sword.

How long in terms of years our Empire or Commonwealth will endure no man can, with any assurance, predict. Thus far her progress has been one of development—a substitution of human freedom for political and physical force.

So long as that passion for freedom and respect for the mind and spirit of the individual shall continue to be its guiding light—so long as it continues to be an Empire of mankind, our Commonwealth will not vanish from this earth until time shall pass into eternity.

VOTE OF THANKS, moved by Col. S. G. Haughton, President of the Association of Northern Ireland Chambers of Commerce.

“PREPAREDNESS AND THE CANADIAN ECONOMY”

An Address By

RT. HON. C. D. HOWE, B.Sc., M.P.
Minister of Trade and Commerce

Joint Meeting with The Canadian Club of Toronto

Monday, February 26th, 1951

CHAIRMAN: The President of The Canadian Club of Toronto, Mr. R. F. Chisholm.

MR. HOWE: I was privileged to hear my good friend, Mr. Paul Hoffman, speak to a Toronto audience last month. As evidence of his appreciation of the honour of addressing you, he said that he had travelled all the way from sunny California to Toronto.

I have travelled only the short distance from Ottawa—where the climate is not above reproach—so I do not expect you to believe that my presence here involves any great hardship. Nonetheless, I do not often have the privilege of speaking to a gathering such as this, and I wish to thank the executives of both The Canadian and The Empire Clubs for making a joint meeting possible.

My subject is advertised as “Preparedness And The Canadian Economy”. Many of you will expect me to talk about unpleasant things like controls and shortages and so forth. And in due course I shall probably do so.

It seems to me, however, that this way of looking at preparedness misses the real point. The purpose of preparedness for Canada and for other countries of the free world is not war. It is an effort to prevent all-out war with its infinite sacrifices and miseries. Of course war may come. But if the free nations bring their united strength to bear quickly enough, war can, I believe, be avoided.

I share the views of General Marshall which he expressed before a Committee of the United States Senate:

> "We are not building these stronger forces for any aggressive purpose . . . our aim is primarily to defer aggression if that be possible . . . what we want above everything else is . . . a certain freedom of action to establish a deterrent against the development of a general war."

That is why I suggest that we should look upon the preparedness effort not in a negative sense but as a positive measure to preserve our way of life and to protect our standard of living.

For Canada, preparedness is a many-sided effort. It means increasing our military establishment and our civil defences. It means supplying arms and equipment to countries that have joined with us under the North Atlantic Treaty for mutual defence. Equally important, but often overlooked, it means building up productive facilities and increasing the supplies of many of the vital raw materials upon which depend our defence effort and the defence effort of the democratic world.

Needless to say, this is a complex undertaking. It requires the most careful use of resources. Were we now involved in all-out war, the problem would be infinitely simpler. We would then be concerned mainly with turning out maximum quantities of arms and equipment with the facilities and materials immediately available.

But we are not now engaged in all-out war. We may not be at war for five or ten years, if ever. Our concern then must be to enlarge our capacity to produce as well as our immediate output, so that, if and when the need arises, Canada will be in a position to make a maximum contribution.

In other words, economic preparedness is much more than defence production in the usual sense. It involves a strengthening and an expansion of the whole range of activities that support the defence effort. That, as I see it, is my main responsibility as a member of the Canadian Government at the present time.

We are bringing into production the great variety of modern weapons needed for the armed services and for their support. As you probably know, procurement of weapons and equipment in Canada is a civilian job. It is presently entrusted to the Minister of Trade and Commerce and operated through the Canadian Commercial Corporation and, so far as defence construction is concerned, through a new Crown Company, Defence Construction Limited, associated with the Central Mortgage and Housing Corporation. The services tell us what they require and when and where they want it. The civilian organization in my department then takes over the task of production and supply.

In 1950 we placed contracts valued at 629 million dollars. In the fourth quarter of the year, the rate of placing contracts was six times as high as in the first quarter. From information now available it is clear that the rate of awarding contracts will be still higher in the first quarter of the present year.

A very high proportion of the defence contracts, over 40 per cent., has been for aircraft. In this field Canadian manufacturers are making notable headway. A Canadian firm has designed, built and successfully tested the most powerful jet engine yet to be developed in North America —the Orenda. This engine will shortly be in quantity production. We are producing, in quantity, air frames for the most modern short range jet fighters. We are getting ready to manufacture a long range, jet propelled, all-weather pursuit ship, designed and successfully flight tested in Canada. Quantity production of small aircraft of the Harvard trainer type is being undertaken, in part for Canadian account, in part to meet United States requirements.

Our ship-building industry on the Great Lakes and on both coasts is pushing ahead with the construction of fast escort vessels and mine sweepers.

In the electronics field, Canada is producing a great

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quantity of radar equipment for our own network of radar defences as well as for transfer to European countries, within the North Atlantic Treaty Organization. Canadian ingenuity has created certain types of electronic and related equipment which, in quality and performance, are in a class by themselves. I might mention particularly a Canadian-developed portable radio set which is being produced in large quantities both for our own forces and for our allies.

Our largest gun plant of the last war has a programme in hand of naval guns and field artillery, partly for ourselves and partly for the United States. Our six arsenals, owned and operated by Canadian Arsenals Limited, a Crown Company, are turning out small arms and ammunition.

I could give other examples, but this is sufficient to indicate the big strides that are being made in Canada to supply the weapons of modern war. Once again, and to an extent never approached before, Canada is becoming an arsenal of democracy.

But Canada is more than an arsenal of democracy in the limited sense. It is the source of many of the strategic basic materials upon which is dependent defence production in the United States, the United Kingdom and other allied countries, as well as in Canada.

Expansion of these sources of basic materials therefore has a high priority in our planning. Our steel industry has in progress an expansion programme involving new investment of close to one hundred million dollars. Canadian production of copper, zinc, lead, nickel and tungsten is being expanded as rapidly as possible. An aggressive search is being made for cobalt, antimony, molybdenum and chrome. As announced the other day the Government is offering a higher price for cobalt. Although Canada is now the world's largest producer of aluminum, a vast expansion of this highly strategic war material is under construction. All these metals are now in short supply. I cannot think of any greater contribution that Canada can make to the defence of the free world than the effort now under way to overcome these shortages.

We are also doing some stock-piling and some advance production of defence supplies. Materials for uniforms are being acquired. We have a modest but adequate programme covering the acquisition of strategic materials not readily available in Canada. The Polymer plant is raising its output of rubber by about 25 per cent. Eldorado is expanding its facilities for the production of uranium. A new and larger atomic pile is being constructed.

As I said at the outset, what is involved is an expansion in the whole range of activities that support the defence effort. Consequently, relative priorities are involved, and I should like to illustrate some of the problems that arise by a few specific instances.

How much of our limited steel production should be used to expand the steel industry? Our answer has been to give the steel expansion programme the green light.

How much of our productive capacity should be used in expanding our petroleum industry? Canada, in the last war, was largely dependent upon the United States for this vital war material. Since then discoveries in Western Canada have transformed the outlook. We think this programme is essential and should go ahead.

The last war depleted iron ore reserves in the United States. Important new discoveries have been made in Canada, on the Quebec-Labrador border, at Steep Rock and at Sault Ste. Marie. Vast quantities of materials and manpower are needed to bring these projects into full production. What share of these materials and manpower are they to obtain in relation to other vital uses?

What of the St. Lawrence Seaway? It is becoming more obvious day by day that adequate quantities of iron ore cannot be transported from Northern Quebec to the steel mills of the Great Lakes until this waterway is built. We also badly need the hydro-electric power that would be generated. I have come to the conclusion that the development of the St. Lawrence Seaway is a "must" as part of effective mobilization of North American resources for defence.

These problems of relative priority will become of even greater importance as the preparedness effort moves ahead. In the meantime we are pushing along on as broad a front as possible.

We are doing so, it should be emphasized, not by ourselves, but as a member of a team, the North Atlantic Treaty Organization. During the last war, Canada and the United States pooled their resources to an unprecedented extent.

We are profiting from that experience. The decision of the armed forces to standardize on U.S. type equipment has added importance to co-operation. Last October the Governments of Canada and the United States agreed to a new statement of principles for economic co-operation. That statement is now in effect and producing tangible results. We have reciprocal arrangements for steel priority and we are working together in many other fields. It is a relation of mutual trust and confidence, and I think every Canadian must have been gratified when Mr. Acheson, the American Secretary of State, said the other day, “The Canadian Government has never gone back on an agreement.”

Co-operation is also growing within the North Atlantic Treaty Organization in the field of defence production, and we welcomed particularly the decision to constitute the United States, the United Kingdom, France and Canada as a committee to decide on standard types of weapons and equipment that will be recognized by all NATO countries. This, in our view, will greatly expedite the production programme of certain kinds of equipment, particularly army vehicles.

In past wars, Canada has fought with British type equipment. The nature of the present emergency is such that it has seemed desirable for Canada to change over to U.S. type equipment as rapidly as possible. This decision has enabled us to furnish British type equipment for one full division to The Netherlands and we are in process of shipping the same type of equipment for a full division to Belgium.

What will be the impact of this programme of preparedness on the Canadian economy and the Canadian standard of living? No clear and precise answer to that question is yet possible.

The Government, however, is preparing its plans and putting together an organization to deal with the problems as they appear. Legislation is now before the House of Commons for a Department of Defence Production that will have functions very similar to those of the old Department of Munitions and Supply. Meanwhile men are already at work dealing with some of the more urgent problems.

A system of end use control for steel is already in existence and orders have been issued under the Essential Materials Act to prohibit or regulate the use of steel for certain less essential construction purposes. As I have said on previous occasions, these restrictions may have to be extended to assure that steel is available for high priority purposes. In this connection, it does seem to me that there are economies in the use of steel and other critical materials which can be made without involving any important reduction in the quantity or utility of the goods being manufactured. I urge industry in its own interests to make these economies before it is required to do so by the Government.

We also have operating divisions in existence in my Department concerned with non-ferrous metals, chemicals, explosives, oil development, aircraft manufacture and priorities. It has been a source of pride to me that men of high calibre offered their services to my Department during the last war and turned in a magnificent performance. This is happening once again, and I can only say how much it lightens the burden of office to know that men holding high positions in private business, regardless of their politics, are willing to drop their private affairs in the present emergency and join the service of the Government.

Some restrictions are in effect to ensure the fulfilment of the defence programme and others will no doubt be necessary. They will, however, be introduced only as they are necessary for this purpose. The defence effort must proceed, but there is no point in causing more disruption to industry than is absolutely necessary.

A defence effort involving the expenditure of 5 billion dollars over three years cannot help but have a significant impact upon the Canadian economy. I do not for a moment believe that we are now at the peak of our productive capacity. My advisers tell me that we have a condition of full employment in Canada, but I have seen Canadians respond to the call for increased production in a way that amazed the statisticians and I think they will do it again.

Nevertheless, there is no great amount of slack in the economy and as the Governor of the Bank of Canada said in his annual report:

> "In view of the rate of growth in defence requirements, it seems more likely that this demand on our resources will exceed the increase in the available supply of goods and services for the foreseeable future. If this takes place, the amount available for civilian purposes inevitably will be reduced."

If these are the facts, then I am sure Canadians will take them in their stride. All of us, I am confident, would rather accept some moderate lowering of his or her living standards now than the terrible consequences of all-out war which we are trying by our present preparations to avoid. To devote 10 per cent. of our output to defence is pretty cheap insurance against the demands that would be made by all-out war.

This leads me finally to the question of price control. It seems to me that many of those who are now advocating price control think that such controls can keep the Canadian standard of living from being affected by the defence effort. Whatever price controls may do, they cannot reduce the real costs of defence. There is no painless way of meeting these costs that the Government has been able to discover. If we had found such a way, we should undoubtedly have adopted it without delay.

The Government has received a number of requests from various organizations that price control be imposed immediately. So far, there has nearly always been a suggestion that the particular product which the particular group is itself concerned with be not controlled until certain adjustments have been made to bring prices of that particular product to a fair level. Obviously, to adjust all prices to a fair level before imposing price control is an impossible task. Those of us who had experience with price control during the last war know that unfairness is inherent in any overall control, and that all that those administering the control can hope to do is to remedy the unfairness before it reaches the breaking point. My own experience leads me to believe that the Canadian people will not stand for the regimentation by controls administered by the vast bureaucracy required for the purpose except under conditions of all-out war. It seems to me that some better system of accomplishing the purpose can be devised other than an overall price freeze, and my officers are analyzing various alternatives with that thought in mind.

The Canadian Government has never been opposed to price controls as such. In fact, legislation is now under discussion in Parliament which would give the Government power to impose economic controls of all kinds as the need may arise.

We will not impose any system of price controls, however, unless and until we are satisfied that those controls will serve a helpful and not a harmful purpose in combatting inflation. It may seem strange to speak about price controls as having a harmful effect in the fight against inflation but that can easily happen. Price controls would be harmful if they did not have overwhelming public support. They would be harmful if they were relied upon as a substitute for more fundamental measures such as taxes and credit controls. They would be harmful if they were not accompanied by adequate wage controls.

Nor do I think it would be wise, even if it were theoretically possible, to move into price controls until there is reasonable assurance of price stability in the United States. All I am stating is the simple truth, that the price levels in two countries, as closely linked as Canada and the United States cannot, for very long, be insulated from one another.

I listened the other day to a prominent radio commentator giving his views about one of my speeches in the House of Commons. He said that I asked more questions than I answered. That was a shrewd comment.

I did ask a number of questions to which no one yet knows the answers and I have raised some of them again today. The essential thing, it seems to me, is to have a sense of purpose, to keep the desired end clearly in view. The mistakes—and there are bound to be mistakes—can then be kept to a mininum.

The over-riding aim of national policy today is to strengthen the defences of our country and its allies to the point where aggression will be deterred and, if it is attempted, cannot succeed. This cannot be given a secondary place to any other national objective, however desirable. It will be a costly effort, but much less costly than all-out war, which is the probable alternative. Let us keep these alternatives ever before us in the difficult days that lie ahead. The choice is not between doing less or doing more now. It is between doing sufficient now or doing enormously more later. The price of peace is high. The price of war is infinitely higher.

VOTE OF THANKS, moved by Mr. Sydney Hermant President of The Empire Club of Canada.

"WHITHER CANADA"

An Address By

CHARLOTTE WHITTON,
C.B.E., M.A., D.C.L., LL.D.
Lecturer, Author, Senior Member, Board of Control, City of Ottawa

Thursday, March 1st, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by Dr. Charlotte Whitton, C.B.E., M.A., D.C.L., LL.D. Miss Whitton was born in Renfrew, Ont. Following her graduation from Queen's University she served in Toronto with the Social Service Council of Canada. From 1926 to 1941 she was Director of the Canadian Welfare Council. During that time Miss Whitton has carried out special assignments for the Manitoba Royal Commission and the Dominion Government. She has written more than 60 books and pamphlets on delinquency, community organization, social security and immigration, and presently writes regular columns for the Ottawa Citizen and the Halifax Chronicle. A life member of the I.O.D.E., she is a member of the National Executive and personally organized the Ottawa Chapter. It was at the request of the I.O.D.E. that Miss Whitton made the survey of welfare and adoptions in the Province of Alberta and as a result faced a charge of libel under the criminal code. After preliminary hearings the charge was dropped and later a Royal Commission endorsed many of Miss Whitton's findings and new laws of adoption have resulted. In December, 1950, Charlotte Whitton was elected as the first woman controller in the history of the City of Ottawa with the largest vote ever polled by a candidate in the civic elections there. A feature article on Miss Whitton, entitled "The Last of the Battling Suffragettes", appearing in Maclean's Magazine of to-day, March 1st, 1951, says "that in a life of sponsoring causes, social service work in its earliest stages, adoptions, nursing, health, housing and liquor problems, Miss Whitton's chief interest has always been women and their rights". Miss Whitton is the third lady ever to address The Empire Club of Canada, and it is now my pleasure to ask her to speak on the subject "Whither Canada".

MISS WHITTON: Mr. President, Guests and Members of The Empire Club of Canada; I want to thank the President for his very kind introduction, and I want to say, since he has referred to the fact that a great part of my half century has been spent in Child Welfare, what a gratification it is to sit to the right hand side of a President, whose parents, here present, have done such an extremely good social job.

This is an age in which nearly everybody displays a badge or button of some mystic association. The other day a friend told me of querying a man with "IATK" on a lapel pin. "Oh! that", he said is "I am terribly confused." "But", she said, "Confused begins with a *C*, not a *K*."

"Madam", he replied, "you just don't know how confused that Konfused is meant to be."

BACKGROUND

Throughout the world today there is uncertainty, and wherever there is uncertainty, there is nervous fear and tension. Tensions break within individual lives and they break between nations and there is conflict and strife within a state. If they continue there is disintegration and inevitably in the flaring out of these dissensions, there is chaos and the break-down of Society with the result, very often war.

Now the strains and tensions in the world today are the direct product of the decay of other than material values, with the loss of faith and, so, of hope, throughout a great part of western civilization.

Two factors have contributed largely to this end. One has been the acceptance, for more than a generation now, of a purely deterministic and materialist psychology, which has taught and is still teaching—right within many of the universities of this country—that *man's destiny lies within his own will.*

The other factor is the natural pre-eminent importance attached to the acquisition of the means of livelihood and enjoyment of the physical facts of visible life by a people who in 35 years have known two terrible wars and an intervening depression in which the struggle for sheer physical survival became the besetting fact of life for themselves and those dependent upon them.

Now *individual life,* in and of itself, does not offer man *sufficient for courage today and hope tomorrow,* and consequently, an age, which has driven material wealth to unprecedented records, finds itself one of the most frustrated and fearful that history records. Men and nations are thus everywhere tired, tense and unsure; they are fearful of mounting costs of living and extending threats of open armed conflict. The "cold war" has become a warm and irritating rash upon the whole body of our modern civilization. We can not think, we can not live comfortably with it.

Canada and Canadians are caught up in this sickness of weariness, fatigue and a sense of insecurity, dogging men everywhere. But with us, there is an added and ill-defined "unease". There is a feeling, growing apace, that we Canadians are being hurried on the path of destiny along a strange, if not indeed a contrary, direction from that by which we have so far travelled on our way to a not unworthy place in the roster of free states. Our people are beginning to feel that they just don't like it and that they are not going along any further or faster until they review and chart the course.

THE NATION'S PURPOSE

"A nation, unlike a man who is subject to death, can get what it wants if it wants it long and strongly enough." So writes Arthur Bryant in *"English Saga"*.

Now what does Canada want? What does she seek for herself; for her people? What qualities and what place in human destiny does she crave for this oldest of the self-governing Dominions and newest of the nations of the West?

Bryant provides, too, I think, an effective answer:

"The key to a nation's future is in her past. A nation that loses it has no future. For men's deepest desires—the instrument by which a continuing society moulds its destiny—spring from their own inherited experience. We cannot recreate the past, but we cannot escape it. It is in our blood and bone."

Part of the very bewilderment and frustration, in which we Canadians are floundering, stems from unnatural pressures to deny the experience of our own history and to disown or escape the truth of our own past with its demonstrable debt and affinity to much that is best and abiding in what civilization knows as British concepts of freedom, justice, mercy and decency and their expression in British traditions and institutions of life and government. So long as we Canadians fumble about unwilling to admit our ancestry and to seek the fulfilment of our enlarging destinies in unison with a past, which has given us our character as a people and our mould as a nation, we shall be standing as a man before a door to which we cannot find the key.

OUR PAST

That past is one of which none of the elements therein need have cause for anything but pride. It is a story of peoples and nations of an old world, giving of their best to the creation of a new, and of the new, in its strength and vigour, honourably mindful, in its turn, of the needs of the old.

It was good blood which opened the pathway from Europe westward to new lands, and it all had the Viking strain. Lief Ericson's half-mythical voyages were based in Iceland, the North Atlantic outpost of European voyageurs in his day, as it is the most easterly of the defences of our new world of the West in 1951.

The Cabots, sailing under charter of an English king in 1497; Jacques Cartier almost a half-century later; Martin Frobisher entering our Arctic in 1578 and having at Hell's Furnace in Baffinland, the first service in Canada in the new English Prayer Book; Samuel de Champlain probing up the Saint John, the Saint Lawrence waterways, and even the Ottawa-Nipissing routes, in the same decade as Henry Hudson entered the inhospitable bay of his naming and William Baffin explored our ice fields; the English settlers founding Jamestown in Virginia a twelve month before Quebec; the Connecticut venturers proclaiming their "Fundamental Orders", four years after Champlain's death—these were all the records of men of a oneness in high adventurous spirit and bold intrepidity of mind.

More, they were essentially of a common ancestry, for the tribes who centered about the Baltic Sea and the Lowlands of Europe were "Northmen" and the progenitors of Norman France as well as of Anglo-Saxon Britain. The Bretons were refugees of the original "Pretani" who fled across the English Channel as the Jutes, Angles and Saxons swooped down upon their islands, following the disintegration of the Roman Empire.

Angles and Saxons and Danes, Celts in Cumberland, Wales and Cornwall, a mixed, unblended race they were, until the Norman Conquest fused them all in one, but not until the fourteenth century did wholly native Courts and an English Parliament emerge, their language English, enriched by the Latin strain of the Norman French. The people of Britain became a "blended brand".

Basically country stock, says Trevelyan, they were hard, clear-headed, tough and liberty-loving. From the Celtic strain came an imaginative quality; from the Norman a sensitive culture and a skill in leadership and the handling of the mass of the people, who were manageable only as they were dealt by justly.

Kipling puts it, with charming clarity, in his picture of the old Norman dying in his own Normandy and telling his heir of the nature of the men whom he will find on his lands in England:

"The Saxon is not like us Normans
His manners are not so polite,
And he never means anything serious
Till he talks about justice and right;
But when he stands like an ox in a furrow,
His sullen set eyes on your own
And mutters 'It isn't fair dealing',
My son, leave the Saxon alone."

The island breed grew into a race of warrior-farmers, equal in their freedom and speech to their kings and lords.

"A free obedience to their chiefs, according to custom, gave them quiet in peace and power in war", Trevelyan further puts it, *"and they developed the mental habit of a free loyalty."*

"As a result of long and unbroken Christian usage, it became native to the English to live and work in a society in which moral responsibility existed", Bryant summarizes it. When their concepts of freedom and of justice were violated they reacted in two ways—by *migration* to other lands, as in their fathers' time, and in *rebellion* against unjust rule.

It is the inheritance of comparable deep convictions, not mere circumstance, that the two major races, from whose building the Dominion of Canada has emerged, the British and the French, in their own homelands both rebelled against anointed kings and beheaded them in the establishment of free and responsible government.

EQUALITY UNDER THE LAW

"The poorest he that is in England hath a life to live as the greatest he", declared Col. Thomas Rainborowe, in controversy with Cromwell in 1647, and that was of the very essence of the spirit and attitude of the founders of the New England colonies. It was the basic belief too of the doughty British and Hanoverians who, a century later (1749) established Halifax and there, under the terms of

Cornwallis' Commission, participated in the first general election, in Britain's possessions overseas, on October 2, 1758 almost a full year before the capture of Quebec.

Nor should it be accounted of no amazing merit that in the terms of capitulation, the subsequent military government, and ultimately the Quebec Act, there was granted to the new subjects of the British Crown (who, incidentally, could not be succoured by an Old France then speeding headlong to her own political disintegration), the most generous and considerate terms ever recorded in the treatment of a ceded foe by the conquering power.

The expulsion of the Acadians was neither hastily nor ruthlessly executed: it was a twice deferred act of military necessity, insisted upon by the threatened colony of Massachusetts, and, for its day, carried out with humanity comparable to our own war-time evacuation of Japanese from the Pacific coast—and there was not nearly as much profit made out of it. Those, not collaborating with the enemy and those, removed from the lines of transport and communication, were left largely undisturbed, the progenitors of the hardy Acadians of today's New Brunswick and indeed of the three mainland Maritimes.

Recognition withheld from the Crown's Roman Catholic subjects in England for another half-century was accorded all those remaining in the ceded territories of Canada in 1763, while they were also given full enjoyment of a civil code and system of land tenure to the resentment of the Crown's own British subjects then in Canada.

In the alternative, amnesty and transport to Old France were assured for all those who wished to retain another allegiance and return to it.

THE DECISION OF THE CANADAS

That was generous statesmanship in any day; it was unprecedented in 1774 and it was appreciated and reciprocated within the short spell of little more than a year. Too little is made of a date that should be remembered as the first and most significant in the story of our determination to build here a Canadian state, which (defying all natural geographic, and their determining economic, considerations to the contrary), would flow east and west, not north and south; would blend peoples of different blood, language and religion and, by sheer force of determination, create and maintain a self-contained nation of British sovereignty from the eastern waters to the western sea. That date is New Year's Eve, as 1775 turned into 1776, and the newly acquired colony, having declined the representations of Benjamin Franklin's mission, (in fact he was carried home in a litter) urging association with the revolting North American colonies, repelled Montgomery's attack on Quebec. (I have always said that if American psychologists had been as far advanced as they are now, they would never have attacked a colony of Scotch and French on New Year's Eve and any hoped to survive.)

From that significant decision, the people of Canada have never turned back. Through the sharp divergence of outlook and desires which caused the creation of Upper Canada, as a separate province; through the War of 1812 when again a small, unarmed Canadian people resisted the aggression of a rich and greater people who outnumbered them fifteen to one; through the turbulence of civil war in Upper and Lower Canada; through the finding of reconciliation in the mature statesmanship of Britain's experienced Lord Durham; through the uneasy partnership of those two differing central Canadian provinces; through the patient, long compromise of conference and agreement, on Confederation, again under the tutelage of an older British nation's elder statesmen, our life moved on "in unapparent growth", to John A. Macdonald's speech in the Canadian Commons on February 3, 1865:

"It seemed to all the statesmen assembled that the best interests and present and future prosperity of British North America would be promoted by a federal union under the Crown of Great Britain;" and to Disraeli's introduction of the British North America Act in the British Commons in February 1867: "We are laying the foundations of a great and noble state."

The rest has been but development from that great grafting, a people extending their domain from sea to sea by purchase, creation and adhesion of new territories and always in a consciousness of purchasing this autonomy of a British North America at a price. There was the price of money payment—a huge sum for a small young people—to the Hudsons Bay Company, to redeem our prairie heritage. There was the heavy cost of railway and water transportation to keep open the flow of settlement and trade and commerce, in a less natural east-west movement than the powerful tug southward offered. There was the ingenuity of an entire tariff and subsidy structure to make a northern land's lop-sided economy more self-sustained.

And, what gave us dignity, stature and maturity beyond our small population and our North American isolation, there was association with the responsible mightiest state of Europe, Great Britain, in the maintenance of peace and justice in other lands than our own. As long ago as 1884 the first Canadians left this land in the common defence of a common justice as rivermen, in Kitchener's expedition to relieve Gordon on the Nile. Of those 400 men, a third were from the Ottawa, three gangs from Quebec, two from the St. Lawrence, four from the Northwest, and only two men, I believe, from Toronto. Of course one of these was in command of the Expedition.

To hold the Land of Canada, we shared it with peoples of our own and all the other races of the world. In good comradeship with the older land of senior sovereignty, and in that strength secure, though small of people and great in the resources of half a continent, we grew into the present Dominion of Canada "our plenteous nation still in power extending."

Two factors, one now sees clearly, kept us in the last century of our early growth intact and an identity, though small and sparsely settled in a great land. One was the preservation of the direct association with the British Crown: the other was the preservation of the French language. Both became characteristics of a separate Canada, distinguishing the northern half of the continent from its dynamic powerful Southern neighbour.

THE DOMINION OF CANADA 1950

The country which passed under British rule in 1759, after 150 years of France's sovereignty, held 70,000 people, 65,000 of them of the old French stock. A century later, at Confederation, it comprised roughly 3 million, one million of them of French descent. The census to be taken in this coming year of the new half-century will record some 14 million people, of whom (if we measure the Canada of the nine provinces prior to Newfoundland's entry) for the first time in modern story, those of the British races will be in a definite minority, probably 46 to 47 per cent of the whole. The French strain will approximate over a third and from nearly 30 other races the other 20 per cent or so of the Canadian people will have been drawn.

There are today over 100 foreign language papers published in 19 different languages, and in Jewish and Yiddish; there are 24 Canadian, 10 U.S.A. journals in English with foreign language sections. That is the mosaic of 14 million Canadians.

Less than one-half of one percent of the world's people, we occupy nearly 7 percent of the world's territory and control the largest resources, held by any single nation, of some of the world's most strategic needs, with a capacity of production of essential foods incredibly greater than any possible ability to consume them—and this in a broken seething world.

Of that world's problems and in its counsels, of our own free will, we Canadians have long assumed a responsible part. For, in the association of free nations of the British states, Canada's growth was not of stature only: it was of understanding, particularly of the understanding of the indivisibility of freedom throughout the world. That we learned young from that other association.

"To whatever ideology a people may submit itself—that is its own concern" said Rt. Hon. The Earl Baldwin of Bewdley in 1939. "But when that ideological system is imposed on other free countries that is the concern of all free men."

So we were in Flanders Fields and the Lowlands, in

Italy and North Africa; on the Rhine and in the North Sea patrols; in Britain's flaming towns, and in the North West Pacific. In 1950 our ships were in the Korean waters and it was not the weakness of the public will which explained the absence of Canadian men-at-arms in the columns that entered Seoul in the early autumn of 1950. The fact that the Princess Pat's are actively engaged in the United Nations forces in Korea in the spring of 1951 is testimony of that.

WHITHER AT MID-CENTURY

Whither, now, O Canada, in the grave new world of mid century 1950, in which there are only two great powers left, capable of waging warfare on the annihilating scale which modern scientific conflict enjoins, the U.S. and the U.S.S.R., with our good, strong young land lying on the ledge between them, engaged with or without her will, whether or not any other state be involved, in any thrust of offence or defence, the one against the other?

In two wars, Europe has been broken beyond early recovery to her historic position of strength and power. In her titanic effort of spiritual, no less than material, mobilization of the free peoples of the world to the defence of liberty, the United Kingdom all but exhausted herself, and let there be no doubt about it, purchased the time for the Dominions, for the United States, for India, and a good part of Asia, to furbish themselves to the preservation of the freedom which they to-day enjoy. Only now is the world beginning to realize how long and justly Britain "held the keys of such teeming destinies."

It was a German, Wilhelm Dibelius, who put most clearly the secret of her success of keeping free and open and at peace, so many of the danger points throughout the world:

> "The English state rests on two specifically English assumptions, common sense and the transformation of the antagonist into a privileged colleague . . . England's contribution to civilization is this free state. It is a structure in which free play is given

> to the natural forces that go to the building of society. It rests on the instinctive forces of humanity."

Now that the firm grip of those keys may be slipping from weary hands, it is peculiarly enough contemporary United States' historians who most frankly voice their fears of the fullness of calamity which that may mean. In "Man in Motion", Henry J. Taylor, five years ago wrote:

> "Considering its scope, the British Commonwealth of Nations is the most remarkable political achievement in history. It has overcome more tyranny, supplied more safety, removed more fear, taught more justice, and given more freedom to more people than any other institution on earth. It is not only worth preserving, in the interests of free men, but unless Britain preserves her so-called Empire there will be no freedom for millions upon millions who are now as free as they can safely be . . . Talking about colonial freedom is one thing. Supplying it is another. Furthermore 80 percent of the colonials of the world could not, or would not, use their freedom to maintain freedom. Eighty percent of the world's people are not ready for what we are talking about."

James Truslow Adams wrote something similar but even more prophetic, during the last war:

> "In recent centuries the greatest political factor in the modern world has been the British Empire. This is particularly true of the last hundred and fifty years. It is not merely that the Empire rules a quarter of the globe territorially, and a quarter—500,000,000—of its inhabitants. Its trade and financial influences have been equally important and above all its political. 'The Mother of Parliaments' in London has brought into being the free governments in all quarters of the earth which now make up the British Commonwealth of Nations. Its story, with all its shadows, is the story of the steadily in-

> creasing freedom of the individual citizen and of the free human spirit . . .
>
> "We in America were not only a part of the British Empire for a longer period than we have been independent, but since achieving independence our history touches that of the Empire at almost every point, decade by decade. The greatest Dominion in the Empire is our next-door neighbor, our younger sister with whom we divide almost the whole of the North American continent in friendliness . . . We are linked to the future of the Empire as to that of no other nation. Its history and destiny have a deeply intimate relation to ourselves . . . Different peoples may have different ideals of government but for those who have been accustomed to freedom of person and of spirit, the possible overthrow of the British Empire would be a catastrophe scarcely thinkable. Not only would it leave a vacuum over a quarter of the globe into which all the wild winds of anarchy, despotism and spiritual oppression could rush, but the strongest bulwark outside ourselves for our own safety and freedom would have been destroyed."

Adams wrote of "the possible overthrow of the British Empire"; he did not write of its possible disintegration from within, in a niggling, gnawing process in which certain definite influences in Canada, in recent years, have been as subtly active, as certain elements in the Irish Republic and powerful forces in India have been openly engaged.

So now, Whither Canada?

We have now come I think face to face with the harsh fact that not the United Kingdom, nor Canada, nor the Dominions of themselves, in single units, can exercise the stabilizing power for good and justice and decency which the free federation of the British states had exerted in all recent years. The very freedom to associate or dissociate, which each enjoyed, was of the essence of their influence in the world.

> "How are all these communities and races jointed together?" Churchill asked. "Why is it they wend their way along the stony uphill road in company? There is only one answer to that: it is because they want to. In fact, they want to very much. If it were not so there is no means to compel them. But they want to. They want to not only in the piping times of peace but even more closely they draw together in the most horrible shocks and agonies of war."

Churchill could have added: "and in the fear and shadow of war", for that, I think, is operating as an influence in both Canada and the United States today, directing the minds of our people as to what way lies safety, with freedom, for Canada and for such part of the world's peace and freedom as may be caught up with our own. There is only one power in the world today, strong and integrated enough to maintain a balance of power between the U.S. and the U.S.S.R., and that is the association of British States, acting in unison. Which way, Canada?

This Dominion cannot stand aloof or alone in conflict nor in the danger of conflict in this changed and shrunken world in which air power, radio communication and the application of atomic energy have brought life into such a close and terribly congested compass. These new forces have synchronized with the conscious policy of a certain sector of Canadian opinion which has persistently sought to detach us from that quarter of the world's orbit and the world's people comprised in the British federacy.

These anti-Empire Canadian autonomists have not perceived that, in this centrifugal release, this Dominion is being powerfully drawn into another less flexible and diverse organism in which, by the simple fact of our smaller and comparatively much weaker numerical and economic power, our role is inevitably subordinate, not equal.

Political autonomy is more apparent than effective if it be not grounded in economic autonomy.

Canada's *economic autonomy* has been based in the traditional trade triangle with the British Empire and the United States, her position sustained by British investments in this country. In the weakening of one, the other element in this stability has been endangered; and economic penetration of this country by the United States has been proceeding apace.

Two tremendous new resources of this country—oil in the West and iron in Labrador—are not only being bought into heavily by United States capital, already dominant in much of our pulp and paper development. But the projected plans of piping out gas and oil, of exporting the Labrador ore, completely around our Maritimes, down the St. Lawrence waterway for import and manufacture in the United States, would confer the greatest benefit and growth of the processing of precious national resources of this country upon the people of another country. That way lies the danger of economic subservience.

The endangering of political autonomy is not only from without but from within. As Professor Alex. Corry of Queens' University pointed out this week to the National Liberal Federation, the control of the people over their elected representatives in Parliament and Parliament's control over the policies and expenditures of the Ministry both are endangered in the exclusive and confidentially exercised powers, entrusted, in emergencies, solely to the Cabinet.

In the complicated processes of modern government, a technical officialdom develops under whose advice and direction even the Ministers of a specialized democracy move. *Government officialdom is a greater threat to democracy than government by Order-in-Council* for a Ministry must eventually face a people at the polls.

When the organization of government, on the one hand, and of large scale private enterprise, on the other, and much of the latter, located in another country, become so removed from the knowledge and control of the people, *both* political and economic autonomy are undermined. The operation of a free society in the democratic British process is as surely endangered as by direct attack from without or infiltration of subversive forces from within.

Canada is in danger of losing national autonomy in control of her own private capital enterprise.

Comparably subordinating, to our national entity and autonomy, is the dominance of the greatest single resource of this or any nation—its man and woman power—by labour and professional organizations "land-based" in the United States and, therefore, controlled as to policy, strategy and, indeed, funds, by organizations and personnel, extraneous to our citizenship and but partially subject to our laws.

Canada is in danger of losing national autonomy in control of her own labour force.

Our *culture,* struggling to be born, is dominated, in all but its French and foreign language areas, by the smotheringly overwhelming strength of United States publishing, press, radio and film interests, while our leisure time services are daily being ceded to occupation by United States commercial interests. Canada's national cultural autonomy is threatened, if not gone.

Not only is Canada's defence in danger of, or passing into the periphery of another power, but the laneways of the North Atlantic, as well as the Armed Forces of the twelve nations in that pact, are, by the association of the United Nations, being entrusted to the supreme direction of the most powerful nation in the world. Of course there are difficulties in any other arrangement, as an Ottawa paper points out this week—

> "Winston Churchill wants to know if there is no British admiral capable of taking over command of the Allied naval forces. If one could be found who could not only command forces at sea but also face investigating committees of the United States Senate, and make speeches to Congress when necessary, then there is such a British admiral."

In that nation's beneficent will and intentions today, the free peoples have no concern, indeed great confidence, but what if, as only this week's despatches suggest, other forces with other beliefs should succeed in possessing themselves, by constitutional means of the domination of that nation's policy?

In the most essential sector of a nation's integrity and autonomy—the organization of defence—Canadian resources are being necessarily integrated, but, in certain areas and aspects, dominated, if not dictated, by the military strategy of our great, if good, neighbour. The autonomy of our own defences is in danger of being endangered,—let us put it—at present.

All in all, Canada's internal, as indeed her external, affairs are being swung (so far more by our will than against it) into unison with the life and policy of the United States of America.

But the undertow of present "tides in the affairs of men" can well prove beyond our strength and control unless we will it otherwise in a definite and conscious Canadianism, conscious and determined as to the nature, purpose and direction of our national destiny.

THE ANSWER

Whither then, O Canada?

Does not "all our past proclaim our future? The fullest, richest of partnerships with the U.S.A. is required of us in our patrol of this continent, in our union for freedom in the Atlantic Pact, in the association of the United Nations, but that partnership should continue to be one of mutually independent equals—Co-operation ever! Incorporation, never, in the United States of America.

Does not, indeed, the world's future and hope of peace depend upon Canada, in her young and growing strength, taking upon herself, and a small but determined people, the role in this New World of the Western Hemisphere which, for centuries, the Mother Country assumed and discharged, to the undoubted good balance of peace and civilization, in the continent of Europe?

That is, the role of maintaining the balance of power.

May it not be Canada's destiny to show no hesitation in maintaining that balance, if necessary, between the U.S.S.R. and the United States of America, the two great powers whose boundaries we alone touch and share, and whose clashing destinies can meet in our skies?

Indeed, is this not the certain way to surest peace for the world? for the U.S.A.? for the U.S.S.R.? Our tremendous empty North cannot be effectively defended in all its incredible entirety. As a people, neutral or alone, we are as enticing and vulnerable to the thrust of a ruthless power as ever the Lowlands or Czechoslovakia. As part of the fantastically strong United States, in organic unity in that Republic, these north-western "states" which our provinces would become, would offer an easy way of access to an invading power, a chosen frontier of battle for a United States, naturally anxious to keep warfare on a far frontier.

But continuing as part of the association of the British Empire and Commonwealth, with its component states and nations, still in effective partnership over a quarter of the world's surface and comprising still a quarter of its peoples, any attack upon us either in offence or defence by another power would bring that whole great mechanism into play over the greater part of the world's seas and skies.

The peace and security of the United States of America, no less than of this Dominion, are the better served with Canada, within, than without, the freely associated nations accepting the sovereignty of a common Crown.

That, then, surely is Canada's greatest, truest destiny, the assumption of the balance of power in the new world, as Great Britain has historically assumed and discharged it through centuries in the Old. And, let there be no mistake, Britain is still the most potent force in maintaining it today, both in the old world of Europe and in Asia.

And the very people who cry out upon it, are the people who really realize it. I continue to get a lot of joy in the story of the Irish train travelling from Drogheda to Dublin, the week of Dunkirk. In a third class carriage were a group of Irish. (And I want to say that on one side of our house we glory in having been rebels for upwards of a thousand years, so I hope I may tell the story without offence). But here they were, the papers spread out, and one old Irish woman said, "The English are getting it this time! Look at them. Bate from land and sea and air. Blessed be God. Glory to His Holy Name". She did not get the applause she expected. She looked about for enthusiastic endorsation. An old man present said, "Look at the map. In another week the Nazis will be across St. George's Channel and on our necks". "Oh", she said, "sure the British Navy would never let them touch a hair of our head. Thanks be to God. Glory to His Holy Name."

As in our past, so in this present and into the future, a conscious will and sense of destiny can keep us intact and free, an autonomous unit, with a dual destiny—in one aspect, maintaining a balance on this continent, in the other fulfilling our past in the continuing, responsible partnership of the states of British traditions of free and ordered government.

Indeed, is there any other choice—a drifting, now well in course to a North American protectorate—economic, social, military, inevitably, in the end, political—under the pulsing, dynamic United States of America?

Or the retention of the identity which history has given us and our own character has fulfilled—the Dominion of Canada, a constitutional monarchy, acknowledging the sovereignty of the King of Canada, in the common Crown of the free association of the peoples of the British Empire and Commonwealth?

Not Commonwealth and Empire but Empire and Commonwealth: because, for many years now, Empire, in the concept and practice of the peoples of our common sovereignty, has not been an Empire of supreme and wide political power but an Empire of ideas and ideals, its essence the supreme importance of the life and soul of the individual human being and his freedom of growth in a disciplined assent to the voluntarily accepted will of the majority.

In such a concept no conflict of allegiance surely can arise for any Canadian.

My own answer I find in the words of Sir Wilfrid

Laurier, as valid today as when he uttered them forty years ago:

> "I am a Canadian, first, last and all the time. I am a British subject by birth, by tradition, by conviction —by the conviction that under British institutions my native land has found a measure of security and freedom it could not have found under any other regime."

So, as a British subject, I accept the sovereignty of the Crown; as a Canadian citizen I accept the sovereignty of this Dominion; as a British subject and a Canadian citizen I am pledged to the service of freedom, justice and right for all peoples, those of other lands and sovereignties no less than of my own.

That, so help me God, is my answer to "Whither Canada?"

VOTE OF THANKS, moved by Mrs. Peter Sandiford, President, Women Electors' Association of Toronto.

"A GLANCE AT THE FUTURE"

An Address By

THOMAS B. COSTAIN

Novelist

Thursday, March 8th, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by Mr. Thomas B. Costain, Canadian-born novelist from Brantford, Ont. Mr. Costain started writing while in school and achieved his first success when his detective story was published by the Brantford Courier. Leaving High School Mr. Costain joined the reporting staff of the Courier at a salary of Five Dollars per week. He has since admitted that the real incentive was the opportunity this gave him of following Brantford's prize-winning Lacrosse Team around the countryside. He soon left the Courier for its competitor, the Brantford Expositer, and some time later he joined the Guelph Mercury as Managing Editor. Mr. Costain then moved on to edit three Trade Journals, the Plumber & Steamfitter, Hardware & Metal, and the Milliner & Dry Goods Review, an experience, he is quoted as saying, much more trying than anything he has done since. To crown his success to date Mr. Costain then became Editor of Maclean's Magazine. From Maclean's he went to Philadelphia where he remained as Chief Associate Editor of the Saturday Evening Post for fourteen years. After that he became story editor for a motion picture Company, then Consultant Editor for Doubleday & Co. his present publishers. At last he was able to devote his full time to writing. A lover of history it was natural that Mr. Costain's novels should most often be historical romances and that his non-fiction should be history in the narrative form told with colour and drama. His first historical novel "For My Great Folly" appeared in 1942. Since then he has produced a string of successes including "Ride With Me", "The Black Rose", one of the biggest sellers in the last twenty years, "The Moneyman" a story laid in 15th Century France, and "High Towers". "The Son of a Hundred Kings" published in 1950 has been universally acclaimed. It is a period novel of the 1890's and although, to the best of my knowledge, he has never admitted it the setting I understand is in his native City of Brantford. Late in 1949 Doubleday & Co. published "The Conquerors". This was the first in a series called The Pageant of England, telling the story history of England beginning with the conquest of 1066 and ending with the death of King John in 1216 a year after the signing of the Magna Carta. I understand that the next volume in this series will be entitled "The Eagles and the Weathercock". This book will cover a large part of the 13th Century. It is beyond my capacity to review Mr. Costain's books, but I do heartily commend them. Within a decade he has achieved an international reputation with six best sellers. The consistency and popularity of Mr. Costain's novels have made an enduring contribution to Canada and to the world of letters. It is now my pleasure to introduce Mr. Thomas Bertram Costain who will speak on the subject "A Glance at the Future".

MR. COSTAIN: Mr. President and gentlemen, I want to thank you for the very accurate information contained in the introduction by you Mr. President but I do feel that you rather over-did the finish as I am a very modest individual.

I lived in Toronto for 10 years and it was a very interesting experience as I was learning to be an editor.

I left to seek my fortune in the United States in the years when it was possible to make a fortune.

It may seem presumptuous for a man who makes his living by writing of the past to speak of the future. I am not going to outline my pet theories, however, as to how the ills of a very sick earth may be cured. I am not even setting myself up in opposition to Jules Verne and H. G. Wells with predictions of the shape of things to come. My choice of a topic is due to the habit we fall into, when things are black and threatening, as they now are, of looking to the future with hope that a hint of an improvement may be detected there. I have been thinking a great deal about the future and I am sure that conditions *will* get better. But I am equally certain that we can't sit back and wait for the clouds to clear away. There are things we must do; and I live in the ardent hope that we will get around to doing them.

There is, first of all, a little chore we might undertake in the fields of arts. This is not a matter of immediate urgency except that the forms of entertainment colour our mental outlook. We have not been getting from music, painting, letters and the theatre the right kind of assistance in overcoming the depression of our international and political troubles. In the first half of the century, which has just been completed after whisking past us with most incredible speed, we have had a revolution in all branches of the arts, most noticeable perhaps in letters and painting. The changes brought about have been at one and the same time constructive and destructive, elevating and depressing. They were introduced to us with much fluttering of banners and sounding of horns by the *avant garde*, but came heavily bedecked, it must be noted, with too much lunatic frimge. Those who are heart and soul in the vanguard are very certain that these changes have been necessary and quite remarkable, that the hypocrisies of Victorian days have been swept aside and that now the author, the artist and the composer have freedom for the first time to express themselves.

The revolution we have witnessed in the world of letters has been due largely to the influence of Freud, the study of the mind and of the hidden impulses and fears and desires which are at the base of human behavior has become the prime interest of most modern novelists. They are so concerned with this study that they believe everything else to be futile and not worth their attention. There has developed also a hard and materialistic approach due to the interest in ideological development. The combination of these two influences has filled the typical modern novel with gloom and despair and it has made the style in which it is told metallic and heavy. Many modern novelists are so concerned with what they have to say that they consider how they say it of secondary importance. Technical skill has ceased to be necessary. It seems to have been forgotten that books are in a sense a compact between two people, the writer and the reader, and that the reader's efforts to understand what the writer has to say should at least be made as painless as possible.

Many modern writers have forgotten other things which are still more important. They have forgotten that over the centuries great men, men of genius and infinite understanding, created a literature from which the world has drawn its inspiration. The men taught high ideals. They had hopes and inspirations as well as fear and despair, and they expressed the lessons they were striving to teach in the form of epic stories. They did not scorn the art of story-telling, and they were so critical of themselves in the matter of style that through their efforts the art of the novelist attained a high degree of perfection.

Out of the work of the great writers of the past came certain rules which were obeyed in the world of letters. Standards of judgment were recognized by which all literary effort could be appraised. The new schools of writing make it very hard indeed for standards of judgment to be applied. They have taken delight in breaking the rules into a thousand pieces.

Frankness has become license on the printed page. Of recent years there have been many novels, some of which have shown signs of authentic genius, which have been full of profanity and blasphemy from start to finish. There is no word which cannot be printed in books; there is none which has been overlooked. Sex is treated exhaustively and frankly with some of the sly glee of smoking room talk. A steady succession of books has been written about subjects which were once taboo. The competition which led authors to outdo one another in nothing left to be said which has not already been said. There is no subject, no matter how revolting, which has not been seized upon and analyzed and discussed with a gravity which did not entirely conceal the smacking of lips which accompanied it.

I am sure this suspensions of rules and disregard of ethics has done much harm. Certainly it has made it hard sometimes to distinguish the conversation of the dining-room from that of the saloon. It has coloured thinking, without a doubt, particularly the thinking of the young.

In revolution, artistic as well as political, there is always a desire to change everything at once, to bring about the millenium with a gesture. In painting, for instance, things have moved with bewildering rapidity, one school following another. Some months ago I had a demonstration of this desire to hasten things, I visited an Art School and took occasion to look at the beginners' class in oil painting. They were working from life and the model was an ancient man with a huge white beard. The students without exception were working in abstraction. They were getting the old man down on canvass in many guises, with two heads, with one eye, with no nose, even in cycles and whirls of colour which had no relation whatever to anything human. They were painting him in violent purples and poisonous greens and in great splashes of scarlet. Their sketches had one thing in common only; they all ignored that white beard.

It has been my understanding that training in the arts is a rigourous apprenticeship and that first of all the student is taught to draw. I am certain that no one can attempt caricature successfully or depict the spirit of a thing rather than its outward guise unless able to draw the object first with accuracy. I asked the man in charge if he intended to instruct the class in draughtsmanship. He answered, emphatically, No. He did not care whether they learned to draw or not. What he wanted them to bring to their work was the clear, untrammelled vision of a child making its first drawing with a piece of chalk.

March 1st, 1951—Charlotte Whitton. Reading from the left of the picture are D. H. Gibson, C.B.E., President of The Empire Club of Canada 1951-52, Mrs. J. H. Chipman, M.B.E., National President, I.O.D.E., Percy Hermant, Father of the President and The President.

It was an interesting observation but I am inclined to think that what the child draws is not due to a clear untrammeled vision but to the unsteady and untrained hand with which it works.

It is clear, of course, that I am a prejudiced witness. I still prefer the fine stories of earlier days to symbolic writing and the stream of consciousness novel; which is often a very muddy stream indeed. I feel a happy expansion of spirit when I look at a Rembrandt or any great canvass of the past but I come away from an exhibition of modern painting in a puzzled and somewhat depressed state of mind. I delight in the melodious music of the past but find dissonance hard on my ears. In other words, I am very old fashioned indeed.

Even in my benighted condition of mind, however, I am able to bear testimony to the good which the revolution has brought about. I can see that it has released us from foolish restrictions and inhibitions, that it has opened the window and allowed some needed fresh air to get in, that it has vigour and originality and daring. It has developed important new schools of writing, painting and composition.

In accomplishing this, however, it has done what a revolution always does; it has contended that only the new is worth while, that nearly everything of the past is musty and useless. In admitting the fresh air, moreover, it has also admitted a great deal of dust and dirt as well, and more of the odour of the stable and latrine than any room should have.

What I hope to see in the near future is a stock-taking. I would like to see an effort made to decide how much of the new is worth retaining and how much should be discarded after a half-century of trial and experiment. At the same time we could look over the work of the past with awakened vigilance and decide how much of it should be kept and used, how much of it cast aside for good.

The stocktaking should be a thorough one. We should go over, first the new stock, the fruits of modern schools, which will be found largely in the store windows and on the front counters. We should then take down from the dusty top shelves and from under counters and even the dark recesses of the cellar all old stock for which the demand has been falling off, the novels of the old masters, the paintings of the days before Cubism. This part of the work should be done with the greatest care. The classics are sadly in need of pruning and something should be done to save future generations of school children from the stuffy, longwinded tomes which we were compelled to read when I was young. The chromos of the past, the silly romances and the tear-jerking songs of the Gay Nineties can be dispensed with as easily as the worst productions of the lunatic fringe.

The most important result would be the establishing again of some of those badly bent or broken and forgotten rules of the past, and the setting up again of workable standards of judgment.

The Rules must be rescued from the dark corner to which they have been relegated. They must be brought out and dusted off and then studied with the utmost care. Some of them will be hopelessly antiquated. Some will be as right for use today as when first written. For instance;

1 Good Taste is essential to good art in any branch.

2 Anyone can write or paint badly. The true artist is a master of his craft.

3 Pornography on the printed page is on a par with the scribbling done with chalk on walls.

4 Some at least of the four letter words are unprintable.

In the matter of standards of judgment there will be greater difficulty. The painter, for instance, has been allowed to make his own standards. He says, "This is what I see", or "This is how I want to depict this particular object on my canvas". It is relatively easy for him to proceed along those lines and almost impossible for the eye of the beholder to decide the degree of his success. We must somehow devise a yardstick by which these completely personalized ventures may be appraised. I have no idea how it may be done. Certainly, however, we must be afforded more protection than we enjoy now from the results of the self-imposed standard. We must no longer be awed by the shoddy or taken in by the efforts of pretentious fakers.

Standards are easier to set and to apply in the field of letters, but we must again realize that no method of judgment can be perfect. The best seller list, for example, is a poor yardstick. Near the top of the list will always be found some books of questionable worth. Always there will be distinguished novels and splendid works of non-fiction which never manage to climb. In refusing to be taken in by quick popularity, however, we must at the same time beware of efforts that are always being made to compel wide attention for books which are in reality suitable only for a very limited audience and which inevitably fall into the silence of forgetfulness as quickly as a meretricious book club choice.

If the half century from which we have just emerged has brought us much tribulation, it has at the same time provided the most miraculous advances in science. The whole face of living has been changed by the things we have learned to make and the secrets we have been wringing from nature. There is every reason for intense pride and satisfaction. And yet it seems to me that there is equal reason for fear and doubt. New power should not be placed in the hands which are not ready for it. We should not be assuming the God-like privilege of ruling hitherto hidden forces of nature until we have educated ourselves to rule them well. We should not be marching ahead so triumphantly in our quest of the absolute, our intent to wring power and wealth from the bowels of the earth and the waters of the sea and to go on jet-propelled excursions to the moon while we so obviously are marking time morally and spiritually. An advance in one direction will bring nothing but grief if we do not maintain the same pace in all directions.

Look for a moment at what medical science is achieving. Diseases are being conquered one by one. Soon the study of old age deterioration will bring results and the human race will have a much longer life expectancy. We will never again achieve those fabulous days of which we are afforded glimpses in the Bible: "And the years that Adam lived were nine hundred and thirty", or "And the days of Mathusala were nine hundred, sixty and nine years", or "And Noe was five hundred years old and begat Sem, Cham and Japheth". It is quite certain that we shall never again produce Adams, Mathusalas or Noes, or that family responsibilities will be prolonged to such a late stage; but we can be sure that the twilight of the normal life will be considerably extended. None of us here today will participate in this, at least to any extent. The best we can expect is to have a glimpse of the new Promised Land. Perhaps we are lucky. I can conceive of nothing more bitter than an interminable old age spent in pottering about and in ill-natured idleness, and I can't see that we are doing anything to make possible a better use of the boon of longer life. We are not consciously schooling ourselves to a needed new philosophy or giving thought to ways of making the extra span of years useful to ourselves and to society.

The inevitable advance in manufacturing facilities is bound in time to reduce working hours and it is reasonable to believe that before very long people will be employed for a few hours only each day. I am certain that very few persons are fitted to use so much leisure with benefit to themselves. Will it become necessary to have traffic lights in the sky when all the people with empty hours to spend take to the air in flivvers? They will rush about aimlessly all day and then spend their evenings in front of luminous discs, in company with crotchetty and unhappy old people who don't know what to do with their time, watching some Milton Berle of the future and the perennial Lone Ranger.

And yet an extension of leisure time and a longer span of life could be tremendously beneficial. We go to great lengths to educate ourselves for our working years. Isn't it now time to think of educating ourselves for the increased leisure and the longer years which the future promises?

There is another problem infinitely more pressing. We are making atom bombs which shake whole states and light up the sky over the space of continents. Each year from now on we will produce even more grotesque wonders in the field of destruction. It is a frightening thing that we can discover this mighty power, and learn how to throttle and use it, while the spiritual resolution of mankind is still unequal to the maintenance of peace between nations. The instinct of distrust is still so strong in us that we cannot confine the loosing of atomic power to useful purposes. Race and colour and creed have kept nations apart. New ideological differences have been added as a still more disturbing factor and, although we have organized the United Nations, the world is split into warring factions.

We must face the fact that the release of atomic energy is not an end—unless we make it one—that it is, in reality, a beginning. If we had a Jules Verne over a typewriter in every town on the continent, the lot of them would not succeed in conceiving anything so fantastic as the secrets we are going to acquire before very long. Those still nebulous discoveries may be of the kind to give one nation or race—and not necessarily the Anglo-Saxon—dominance over the others. It may even be that on some fateful day in the not distant future a group of individuals, working with all the equipment of science, with batteries and engines as well as test tubes, will suddenly find in their hands a force so great that it will be in their power to corner the wealth and resources of the globe or, even more terrifying, to enslave the people of the world. It is easily conceivable that they might lack the moral strength to resist. Such things are possible in a one-sided world, a world where material things dominate.

There is still a greater danger, however, than these spectacular possibilities, the effect on human habits and ways of thought of this multiplication of interests and conveniences. The more complicated that life becomes, the less time we have for the improvement of our minds and the tending of the spiritual forces within us. What will be the effect when everyone has an air flivver (as we will soon) and can fly from Toronto to New York and back in a day or zoom out to Winnipeg for a week end? When every household will have a small receptacle filled with atomic power and the problem of heating, cooking, and service generally can be controlled by a few switches? When we go about with pocket telephones and radio sets in the bands of our hats?

The answer is not hard to find. We will become restless, more like children with new toys, clamouring for more and more new things. We will become less conscious than we now are of the responsibilities we are taking on our shoulders, less capable of perceiving the dangers of this reckless speeding up of a mechanical existence.

What are we going to do? How can we go about raising ourselves morally and spiritually to our high materialistic level? How can we speed the footsteps of the preacher, the teacher, the business man, the artist, so that they may overtake the fast striding man of science so far out in front?

The engineer and the scientist, fired with zeal and enthusiasm have succeeded better than they knew; that is our difficulty. It's not that we are seriously lacking on the moral and spiritual sides. Anyone who studies the past must be struck with the steady improvement mankind has shown down the ages. Man gets more reasonable, more enlightened, more kindly and decent and clean all the time. It is true he isn't entirely civilized yet, as shown in the recent war, but he is well on the way. Give him as much as a full century of peace and happiness and he might shake off the last hold of those atavistic tendencies which trace back to the Stone Age and in emergencies still come out in us.

But this, unfortunately, is not enough. We lack the time for steady, comfortable progression. We need a quick awakening, an immediate response to this peril. Today we are reaching out for the inner secrets of creation and there must be something more nearly godlike about us if we are to use them wisely. Unless we can put restraint on ourselves and keep our prying hands away from the book sealed with seven seals—and I am certain the fear of falling behind in this mad race will make such restraint impossible—unless we do, we must suddenly achieve for ourselves true nobility of aim, the resolution of an almost divine purpose, above everything else a willingness to ask guidance of the God who made everything in the beginning.

We would have then the answer to all our ills. If we can make morality a stronger force than electricity, if we can put the will to serve above the will to gain, we will be able to live in justice and safety and brotherly love; perhaps even in a world of peace.

There are so many things which should be attended to in the near future. There is the fact that we seem to have mislaid or forgotten the sense of service. I wonder if there is any desire now to start trains on time or any concern as to whether they arrive on schedule? Promises are made by contractors, store-keepers, trades people generally, without any serious intention of keeping them. The Russian word "nitchevo" sums up this new state of mind. It means tomorrow, perhaps, sometime, when I get ready, what does it matter. We have lost also some of that necessary feeling of pride in work, the desire to make a product perfect. Too often purchased goods are delivered in imperfect condition or short in quantity. This began, I suppose in the last war when it was impossible to do better and people accepted what they could get without complaint. It's a far cry from olden days when a craftsman took intense pride in his work and handed down his secrets and his methods to his sons. That was the age of the handmade article which was a joy to behold and which lasted practically forever. If we don't have a care, we'll find ourselves in the age of the shoddy, the cheap, the breakable.

I am inclined to fear that this loss of the will to serve is general, that you'll find it near the top as well as in the lower ranks. Each one of us should take a look into his mind and see if some of the fine necessary fervour for giving our best hasn't been lost.

The world must learn some day to profit by experience. Why should each generation make the same old mistakes?

Why are we able to forget the horrors of war in as short a time as twenty years and march blithely into another one? Why do politicians have no concern for the lessons of the past and repeat the familiar blunders in administration? Some day—and may it be soon!—governments will establish departments of experience, where the records of the past will be kept, to be consulted when problems arise. It will surprise our political wise men how often they will find the right answer there.

We are free men today, free to live our individual lives, free to conduct business as we see fit. There is no way to protect the long suffering public from such things as the absurd fashion dictates handed down from Paris, from long movie trailers, from singing commercials, from the loading of our daily mail with printed matter, from long speeches and long sermons, from the present giving racket which has involved us in handing out gifts on every kind of holiday, on St. Valentine's Day, Mother's Day, Father's Day, anniversaries, going away gifts and coming home gifts to those who gave going away gifts, from the tipping evil which is creeping into everything. We are living in a time of tribute, a period of outstretched palms.

All this, I know, is very trivial. Small things annoy us but they don't matter. There are so many serious problems which do matter that we can laugh at the absurdities and paradoxes of life.

A short time before I left to come here I was in the New York Public Library. It was a bitter, windy day and the corridors were filled with derelicts who had come in to get warm. We are doing better than we did in the past with the orphan problem and somehow—I confess I don't know how—we take care of old ladies. But in the larger American cities there has been too little done for the homeless old men. You see them around, unshaved, ragged, undernourished. Poor hopeless old fellows! We have been striving earnestly to meet the displaced person problem but we don't seem to care about our own displaced old men.

There is something I have said on previous occasions in Canada which I think I must repeat now. I have a sense of complete loyalty to the country of my adoption. I have been afforded the opportunity to achieve some of the things I wanted in life and I have been treated with the utmost generosity. I have a wide circle of friends in my new home and my roots have gone down deep. But there is always a sense of exhilaration in coming back to Canada; and I am aware as soon as the train crosses the border. It may, of course, be that the long wait at Black Rock acquaints my subconscious with what is happening. I prefer to think there is something different about the low rolling ground which I see in the early dawn when I look from the window of my berth, that a voice calling an order on the station platform carries a familiar note, that there is a pattern about the villages, even that there is something in the air which says to me: "Young fellow, you have come home again".

I don't believe there is such thing as a Canadian type. We are neither predominantly fair nor dark. We are above the average in height but we are not sons of Anak. There is no distinguishing features which marks a Canadian for what he is at first glance, a special kind of nose, a recognizable jaw, an exclusive cut of jib generally. When you find yourself in a group exclusively Canadian, nevertheless, you realize the fact. I sometimes attend meetings of the Canadian Society in New York and I am conscious instantly of a racial solidarity. It may not be a physical matter at all. It may instead be similarity of training, of thought and belief and tradition.

If you live on the outside you realize that there is nothing but admiration for this great country of ours, that the Canadian people are well liked, that what they have accomplished is regarded as sound and fine. You realize that Canada has a great deal which must be preserved. I am not referring to the untapped resources of which we hear so much. I am speaking of the traditions of the people who have opened up this country and have settled it and who have mapped out for themselves a nation of wisdom and farsightedness.

This brings me to my final concern with the future. Canada is growing rapidly in population, in strength, in wealth. When I lived in Toronto my home was in the far reaches of the northern section. I used to think, particularly on a cold winter day when I worked late and had a windswept half mile to walk from the streetcar line, that very little stood between me and the North Pole. Today the city has rolled over that section and done such a splendid job of absorbing it that I can seldom find the street on which I lived. It is built up solidly for miles beyond the pleasant boulevard where I was one of the early pioneers. Every time I visit this city, in fact, I am stunned by the evidences of unceasing expansion which I see. They tell me that architectural staffs are being driven to distraction by the constant demand for new variations of style for houses, that they long for the day of wireless telephones and pipeless sewage disposal. I hear that farmers living as far out as Brampton and Newmarket are afraid to make anything but conditional plans. They say, "I'll start cutting the hay tomorrow—if Toronto doesn't grow out this far overnight." I hear that your sins—no, I had better find a more accurate word—for your pains, then, you are going to construct an underground system of transportation. I can think of nothing which will teach you more rapidly that growth has its disadvantages.

All of Canada is growing and prospering at much the same gait. A study of the tables makes it apparent that the population has been doubling roughly every thirty years. At this rate Canada will have over fifty million people when my young grandson reaches my present age. It will be one of the powerful nations of the earth. There will be great cities dotted all over the western plains. The oil barges will be plying down those mighty rivers from the Mackenzie Basin as thick as pleasure boats on the Thames. The whole Cambrian Shield will have been prospected, and people living in towns along the coast will not be able to look up without seeing airplanes in the sky. Canadians have every reason to be proud of the manifest destiny of the land where they were born.

And yet I can't view this prospect without some apprehension. I don't know what the feeling here is on this question of growth. I may be a solid minority of one, a single old fashioned voice piping up against a united body of thought. On the other hand it may be that a definite policy has been established which makes any comment superfluous. Nevertheless, I am going to say what is in my mind. Don't let this fever of expansion mount too far in your veins. Don't grow too fast! Don't grow too much! Don't grow so fast that the Canadian type will be lost in a melting pot. Don't grow so much that it will be possible for the incoming rush of alien people, with their own ideological conceptions, their isms and their ways of life, to submerge the native stock, don't grow so much that it will be possible for the traditions and ideals of Canadianism to be swallowed up in political patterns under which you would not willingly live.

MR. HERMANT: We are proud to have as our special guest to-day Group Captain Douglas Robert Stewart Bader, D.S.O. & Bar; D.F.C. & Bar; Legion d'Honneur; Croix de Guerre.

Group Captain Bader is probably the most widely known of the surviving pilots of the Battle of Britain. He is particularly remembered in Canada as the Commander of the No. 242 Canadian Squadron R.A.F. during that epic battle which turned the tide of the war. In 1946 Group Captain Bader returned to the Shell Oil Co. Ltd. with whom he had been associated prior to the War. Group Captain Bader has kindly consented to say a few words and to express the thanks of this meeting to Mr. Costain.

VOTE OF THANKS, moved by Group Captain Dauglas Stewart Bader.

"TALKING SHOP"

An Address By

DONALD GORDON, C.M.G., LL.D.
Chairman and President, Canadian National Railways

Joint Meeting with The Canadian Club of Toronto

Monday, March 12th, 1951

CHAIRMAN: The President of The Canadian Club of Toronto, Mr. R. F. Chisholm.

MR. GORDON: Mr. Chairman and Gentlemen: My job bears the title of Chairman and President of the Canadian National Railways, and I have come here today to talk to you about it. For I must assume that each one of you is interested in my job, first, because you have been kind enough to invite me to come and break bread with you and to speak to you today, and second, because of the series of events, during the first quarter of this century, which accidentally made each of you a shareholder in this great enterprise.

The physical facts relating to the C.N.R. are, I think, fairly well known in broad outline. You will be aware —if our publicity is at all effective—that our Railway lines serve all of Canada and 11 States South of the Border. But the Canadian National is much more than a railway network. It is a System, organized into a managerial unit, which also exercises ownership or control over three major steamship operations, a nation-wide telecommunications network, a chain of ten hotels and three summer resorts, and such varied facilities as car ferries, busses, trucks, electric trams, dockyards, stockyards, warehouses, grain elevators, even a coal mine, and of course our association with an airline is well-known. I am sure you will not quarrel with me if I claim that the Canadian National occupies a special place in the annals of transportation.

The employees of the Canadian National—115,000 of them scattered from the Atlantic to the Pacific Coast—constitute the largest single industrial working force in Canada. The range of occupational skills in the Canadian National is a continuing source of amazement to me; they include architect and artisan, cook and chemist, draftsman and deep-sea diver, geologist and garage mechanic, sailor and surgeon—I could almost work through the alphabet in this fashion. Together the Canadian National employees make a vital contribution to our economic life; individually they lend a remarkable variety of talents to the social and cultural life of this nation. The list of our employees who actively participate in Government, for example, include Members of Parliament, Provincial Cabinet Ministers and legislative representatives, officers of local government and mayors in a dozen towns and cities across Canada.

Last year this vast System took in over half a billion dollars in revenues. To restate this colossal sum in more familiar proportions, it means that on the average throughout the year we take in more than $1000 for each minute of the day and night. And what do our patrons get in return? For value received—and not always full value at that—in the course of a year we carry something like 80 million tons of freight, 24 million shipments of express and 18 million passengers. We send 14 million telegrams and cables, and accommodate three quarters of a million guests in our hotels. This list of activities is of course by no means complete, but it will serve as an illustration of the volume of work performed by the System and its employees.

This effort requires not only an army of people but a vast amount of equipment and supplies. We enter the market for a great variety of articles ranging from lead pencils to locomotives, and our stores inventories carry some 50,000 different items, worth about $75 million.

As the largest single buyer of materials in Canada we are an important customer to some 10,000 different firms in all parts of the country.

The scope and magnitude of our purchasing activities naturally means that the Canadian National management is among the first to feel the effects of rising prices. To choose a smaller example this time, the Canadian National spends close to $5½ millions a year on food supplies for dining cars, restaurants and hotels; so, like any housewife living on a budget, my job gives me good reason to be concerned about the cost of living.

Just to give you an idea of what price inflation has done to our operating expenses, we paid out last year something like $230 million more than would have been necessary if the 1939 levels of wages and material and equipment prices had been in effect. Higher costs have affected other industries too, but I would like to remind you that, unlike the railways, they have been free to make price adjustments at their discretion.

Inflation really means that the 1939 dollar and the 1950 dollar are related in name rather than fact. Not all facets of economic life have been equally adjusted to the shrunken yardstick of dollar values. Indeed, the rapidity of the decline in the value of money over the last decade, and particularly since the beginning of 1946, has created a number of awkward by-products. For example, industrial firms are still discovering that depreciation funds built on original cost are quite inadequate for making replacements in kind. Higher corporate and individual incomes automatically inflate Government revenues and make fiscal problems appear deceptively simple. In general terms debtors gain to the extent that they are able to discharge their obligations with depreciated money. The same economic environment puts a squeeze on charitable institutions and universities, which depend in part on fixed income from legacies.

An even more distressing social problem arises in the case of all those, including the self-employed, who have reached retirement age. Not only do low interest rates reduce the annual yield of accumulated savings, but those whose industrial or state pension is fixed in dollar amount find themselves defenceless against rising prices. Indeed, one of the most vexing problems for Canadian National management at the moment is how to adjust our pension plan in face of the fact that benefits paid, in the lower brackets particularly, were based on a dollar that had a much greater purchasing power than that of today.

To revert to the general pictures of the Canadian National, the relationship between our operating expenses and revenues in terms of the work we must do can be appreciated from this fact: we had to haul, on the average, 2½ tons of freight for a distance of one mile in order to earn enough gross revenue to buy the typewriter ribbon with which this speech was recorded. This is intended not as an explanation of why I turn down many invitations to make speeches, but as an illustration of the fact that the average level of railway freight rates in Canada is still one of the lowest of any country in the world.

If in general the physical facts relating to the System are fairly well known, I am sure that cannot be said of the financial record. I doubt, for example, if it is appreciated by many people that since the Canadian National began operations as an organized System in 1923, *it has never failed to meet operating expenses.* I do not mean to suggest that the failure to cover interest charges in most years is a matter of no consequence—but I do believe that the nature and origin of these interest charges are not understood and never have been understood by the vast majority of the Canadian people.

It is necessary to recall that the Canadian National Railway System came into being on January 1st, 1923, having taken over in one form or another the operations of the Grand Trunk Railway, the Canadian Northern Railway, the Grand Trunk Pacific and the Canadian Government Railways. Ownership of the first three mentioned railway corporations had previously been assumed by Government because they had broken down, were insolvent and had only been kept going through large advances of public money. All sorts of financial legerdemain had been practiced by the managements of these corporations to keep them alive—expenditures properly chargeable against income had been capitalized, maintenance had been seriously deferred and necessary improvements postponed. In the normal course of events, following their financial collapse, there would have been a receivership in bankruptcy in which the fixed charge debt would have been written down to a point having some relationship to earnings—or rather the lack of them. Most of you are familiar with the reasons why that course was considered unwise. In general it was felt that bankruptcy proceedings would have resulted in serious injury to the credit of Canada, having regard to the fact that many of these outstanding railway obligations were guaranteed in one form or another by the Federal Government and some of the provinces.

I have no quarrel with the decision—all things considered I believe events have justified the action taken in bringing about the consolidation of these railways into a unified system. But I do take issue with the choice of policy which transferred all the debts from the bankrupt companies on to the balance sheet of the newly organized System, and required it to shoulder a fantastic burden of interest quite beyond its capacity to pay out of operations. Since I have taken office, I have heard many tributes to my illustrious predecessor Sir Henry Thornton, first President of the System, and one whose name is revered and honoured by every railroader I have met. His was the task of welding the competing units of the railways taken over into a unified operating system, and breathing into the workers of the amalgamated organization a loyalty and an esprit de corps which to this day makes the Canadian National the envy of other railroads in this Continent. It does seem to me, therefore, to be nothing short of tragic that his initial, perhaps unwilling acceptance of the financial pattern, his subsequent failure to win approval for its correction, and his inability to shake off the implications of that Balance Sheet, should have so over-shadowed his great record and brought his career to a heart-breaking end.

Just think of this one fact that in the five years preceding consolidation the deficit of the four component railways I have mentioned totalled two hundred and thirteen millions of dollars and that in those same years they fell short by nearly sixty millions of covering even their operating expenses. How then could anyone assume that these properties could be put together on a basis that would overcome such a disability? Yet it came about that the Canadian National, upon its formation, was charged with the financial sins of its predecessor corporations to the tune of $63 million in annual interest charges, $28 million of which was payable to the government itself. Now there are a great many places where these sins can, and ought to be recorded, but I do not believe they belong in accounting records which are supposed to reflect economic values. Essentially this was the reasoning which lay behind our submissions last year to the Royal Commission on Transportation, but quite apart from the recommendations of the Commission, there is, I am convinced, a strong body of public opinion which supports and *expects* action now to put the accounts of the Canadian National in such order that its annual operations will be readily comprehensible.

My job, as I have already stated, is to act as chief executive for the System some of whose ramifications I have been describing to you. In a great many respects, allowing for the size of the undertaking, my position is not very different from that of the president of a private corporation. The Canadian National Railway Company is the corporate nucleus of the System, and the model for the whole organization was drawn from private enterprise. The direction and control of the Company is vested in the Board of Directors, of which I am Chairman. Whenever, under the provisions of the relevant legislation, approval or confirmation by the shareholders is required, the law stipulates that it may be given by the Governor-in-Council. Once a year our annual report and capital budgets are presented to Parliament through the Minister of Transport and soon afterwards we appear before Members of Parliament meeting in Committee to explain these documents and review our activities. These hearings are closely analogous to a shareholders' meeting—the Committee Members as it were, voting your shares by proxy. I doubt, incidentally, if there is any other shareholders' meeting at which such a penetrating curiosity is exhibited in the activities of the Company. This is a healthy attitude and one which I heartily welcome—provided, of course, that it is restrained by common sense.

Now for a few minutes I shall make reference to the rather serious paradox to be found in the competitive relationship between the railways and commercial road transport. Railways, as you will appreciate, provide by far the lowest cost medium of land transportation, their average costs per ton mile being about one-third that of the trucks; yet because of the pattern of railway rates and the conditioning of the industrial structure to relatively low rates on basic commodities, the railways seem to be on the defensive. You are perhaps aware of the major anomalies which surround these circumstances—the contrasting freedom of the trucker to pick and choose traffic, and to adjust rates and services, using a right of way provided by the public, whereas the railways must provide and maintain their own. This, too, is a problem which was argued before the Royal Commission and I am not here to argue it in detail again. I do, however, want to let you know that we in the C.N.R. are not passively taking our ease in hopes that some one will throttle our competitors. We have no such desire—first because we recognize clearly that there is a proper economic field for truck transportation and we are not so foolish as to try and turn back the clock to a bygone age; secondly, because the motor vehicle *manufacturing* industry is an important source of traffic to us. We do not want to strangle the truckers, but to meet them—and beat them where we can—on an equal footing.

To this end I can see two lines of approach that are within our power. The first is to re-examine with an open mind all our methods, procedures and techniques for handling the traffic on which we are vulnerable; the second is to undertake jointly with our fellow members of the Railway Association, an intensive fact-finding programme of research into the common problems arising from road-rail competition. It may surprise you to learn that there are no complete or comprehensive statistics available to the public on trucking operations in Canada, and this is one of the gaps that needs to be filled.

Another thing that still seems very odd to me after more than a year in office is the notion some people have that the management responds better to representations if they are sponsored by third parties. Occasionally people seem to believe, for example, that special pressures can achieve the desired effect on our employment bureaux, or our Purchasing Department or our Operating Department. Let me hasten to put the record straight with the assurance that no favour is shown—we make a point of giving applications of this kind just as good a hearing as if they came to us directly.

As I conceive it, the duty of the management to the owners of this System is to obtain the maximum value for every dollar expended and to give the maximum value for every dollar received. To do this effectively the management must have the greatest possible degree of autonomy consistent with the broad pattern of economic policy laid down by the Government. I believe that all Canadians are proud of the fact that both practice and tradition *are* firmly against the interjection of partisan politics or special privilege in the affairs of the National System.

This does not mean, of course, that we are insensitive to public opinion—no organization under any ownership can afford to be for very long. We are just as concerned with letters of blame as we are pleased with letters of praise—and we get some of both.

Yet it seems strange to recall that only two decades ago the Canadian National was regarded as the problem child of the nation—a foundling that had been left on the doorstep and was starting to eat Canadians out of house and home. If someone in those days had designed a coat of arms for the C.N.R. it would certainly have contained a bar sinister in token of its questionable parentage. Throughout the worst years of depression the central question of debate was whether the C.N.R. should continue to exist as a separate organization.

The bitter quarrels and controversies of the thirties are happily heard no more. On the one hand, great additions to the national wealth are paying off the heavy mortgages placed on the future by our early railway builders. On the other hand, there is a more general recognition that the two great railway systems, publicly and privately owned, can co-exist in a stable yet highly competitive relationship. There is, moreover, as a consequence of the Second World War and the threat of a third outbreak, a strong appreciation of the fact that railways in Canada constitute the fourth arm of defence.

Canadians are still trying to adjust their sights to the immense changes that have taken place within our economy since the depression of the thirties. Consider the new horizons that have been opened up in the past five years alone—the possibility of enormous power and aluminum development in Northern British Columbia, the rich oil fields in Northern Alberta, the uranium possibilities of Northern Saskatchewan, the nickel deposits in Northern Manitoba, the development and exploitation of mineral and forest wealth in the Laurentian Shield, and, most recently, the copper deposits in Gaspe. All across the country Canadian National lines skirt along the edge of this newly recognized economic frontier of the north. Because of this location the C.N.R. stands in the vanguard of some of the major economic developments in prospect in Canada. Our policy is to encourage industrialists to come and talk over their plans with us. We are glad to offer technical advice where it is needed and to examine every proposal on its merits, and we are willing to take the long view in evaluating our returns for each dollar of expenditure.

While on the subject of development let me remind you in passing of the importance of immigration to the early growth of this country, and the part played by railways as the major agencies of colonization. I welcome the show of vigour in the Government's new immigration policy, and I anticipate that the Canadian National will continue in the future to fill an important role in attracting, transporting, and establishing new citizens in this country.

Meanwhile the world has entered upon a period of twilight peace in which we cannot be sure when or if total darkness will descend. In this atmosphere matters concerned with our national security assume first priority. The fact that the railways are periodically called upon to carry enormous peaks of war-time traffic poses an awkward problem in the adjustment of capacity. Compared to 1939 we are operating on a new and much higher plateau of traffic, using for the most part equipment and facilities whose service life has been reduced by at least ten years. Despite the new equipment that has been acquired, roughly one quarter of our freight equipment is over thirty years old. Our passenger equipment has an *average* age of about 28½ years, and in spite of reconstruction, a good deal of its is obsolete by present day standards. It must be frankly admitted, too, that our supply of rolling stock is not adequate to the demands of seasonal traffic peaks, and while some improvements have been made to terminal and yard facilities, serious bottlenecks exist. It should be remembered that the C.N.R. did not have the advantage of planned growth as an integrated system—originally it was just a conglomeration of lines seldom complementary, sometimes duplicative, and often competitive. As a consequence, terminal and yard facilities have been, and will continue to be for a long time, one of our major headaches in operation. Indeed, in the face of these handicaps I think the C.N.R.'s record in handling traffic is a tremendous tribute to the teamwork and effectiveness of our employees and officers.

Large orders for equipment have been placed and we expect our expenditures to show a good return. But deliveries will be slow and in the meantime, in order to meet the urgent demand for rolling stock, intensive efforts are being concentrated on getting the maximum use out of existing equipment and facilities.

The relationship between the Canadian National Railways management and the employees is another major responsibility of my job. I believe—and I have tried to act consistently in this belief—that honesty and frankness and fair dealing constitute the foundation of good employee relations. I do not pretend they are enough in themselves to insure absolute harmony, if only because the question of wages and working rules leaves scope for sincere differences of opinion. Perfect agreement is rare enough among the closest of friends or family circles; it is hardly to be expected in industrial life where the machine age has tended to impersonalize human relations. Mere size imposes its own handicaps on the problem of human relations in industry, for it is too often necessary to summarize human beings in the imperfect shorthand of statistics. Moreover, the difficulty of making frequent personal contacts engenders a feeling of remoteness, and the sources of friction and misunderstanding are naturally increased as lines of communication are lengthened.

The Canadian National has a justifiable pride in the kind of institutions and procedures which have been built up for developing closer ties within the organization. But it must be admitted that the methods and procedures open to us for the settlement of major wage disputes leave much to be desired. Looking back on the history of recent years, it seems that each dispute has been more difficult to resolve; each one has entailed longer delays; and each settlement has relied more heavily upon the opinion of third parties, until in the most recent case the matter was taken out of our hands entirely. However easy and expedient it may seem at the time, I do not believe that lasting solutions to wage disputes will emerge from the abandonment of managerial responsibility in any direction—to the employees, to our patrons, or to the public who are the owners of this property. On the other hand, I have said before and I say it again, that neither side in an industrial dispute will gain in the long run by the forcible imposition of the less intimate and less informed judgment of third parties. Personally, I feel that the railway union leaders and, indeed, our employees generally agree with me in this. When we are free of the current round of negotiations, which incidentally have been going on since before I assumed office, I am confident that if we sit down together we can, in re-examining our procedures, find ways and means of working out our own settlements. The proof that we *can* do so was demonstrated just recently when mutually satisfactory wage agreements were signed with certain operating trades.

Let me conclude with one observation from my experience in what has proved to be an eventful year with the Canadian National Railways. It is that few occupations demand of those who engage in it a greater sense of vision, and resolute, realistic faith in the future. This is not *only* because units of motive power and car equipment may be durable over two or more decades, or because branch lines may in practical terms represent capital commitments in perpetuity. It arises also from the fact that almost every major industrial development requires the mass over-land transportation that only railways can provide, and from the fact that railways on the fringe of settlement are so often called upon to *create* the conditions for new development. Nowhere else can the pulse of this nation's economic activity be felt more quickly than in the arteries through which the great bulk of its commerce must flow, and therefore no one has a greater stake than railway management in the direction and rate of advance achieved by our population, technology, and national production. Conversely there is no activity more vital than the railways to the security, prosperity, and progress of the Canadian people.

VOTE OF THANKS, moved by Mr. Sydney Hermant, President of The Empire Club of Canada.

"AMERICAN FOREIGN POLICY"

An Address By

MAX FREEDMAN

Washington Correspondent, Winnipeg Free Press

Thursday, March 22nd, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by Mr. Max Freedman, Washington Correspondent of the Winnipeg Free Press, contributing Editor to the Manchester Guardian, and special C.B.C. Commentator. Born in Winnipeg, Mr. Freedman attended public school and Collegiate there. To quote his own biography, he says: "I grew up on the streets of Winnipeg. The biggest single event of each day was my study of the editorial page of the Winnipeg Free Press. The greatest single influence in my life at that time was the genius of that great Liberal, Mr. J. W. Dafoe, the Editor of the paper." Although he did not complete his formal education at any University, Mr. Freedman has been guest lecturer at three; in History at the University of Alberta, Literature at the University of Manitoba, and Journalism at Carlton College, Ottawa. After a short time spent in teaching school in Winnipeg, Mr. Freedman joined the staff of the Edmonton Bulletin which in its earlier years was a colourful crusading partisan Liberal daily. The Bulletin ceased publication several months ago, however this was long after Mr. Freedman left. At the outbreak of World War II Max Freedman enlisted as a sapper with the Engineers arriving in England with the Canadian troops in August, 1940. He served throughout the War, following which he had a brief interlude on Fleet Street with the News Chronicle.

Returning to Canada he became Executive Assistant to the Hon. James A. MacKinnon, Minister of Trade & Commerce. In 1946 he joined the Winnipeg Free Press as Ottawa Correspondent, and is now Washington Correspondent for that great newspaper. The subject of Mr. Freedman's address to-day is: "American Foreign Policy", one with which he is thoroughly familiar and on which he has deep rooted convictions.

MR. FREEDMAN: Perhaps I can best begin my review of American foreign policy, in speaking to the members and guests of the Empire Club, by discussing the attitude of the American government towards India. We should be very proud within the British Commonwealth of peoples, that we have brought into our community the staid wisdom of the East, to reinforce our independence of the Commonwealth.

As you know, India's policy has not always been easy to understand or easy to follow; and at Lake Success, during the great debate on Chinese aggression in Korea it seemed for a time that India had cast herself for the role, perhaps inadvertently, of acting as an umpire between Moscow and Washington. That role naturally brought India into some temporary disagreement with the policy-makers in Washington, and perhaps equally important with public opinion in the United States.

While that debate was still unresolved, when it was still uncertain whether the Indian initiative or the American initiative would prevail, the government at New Delhi formally requested aid from Washington to bring emergency help to the starving people of that great country. It asked, not for a gift, but for wheat and other food grains on what the Indian government described as "special and easy terms".

After an examination of the Balance of Payments position of India, it was decided in Washington that a loan to India would likely complicate her future international economic position. If India paid the loan back, she would come into a new train of difficulty with the government of London in making increased drawings on her sterling balances there.

After this review, the American government decided that they would go beyond the Indian request; they would not give India a loan on easy and liberal terms; they would propose to Congress an outright unqualified gift—and I emphasize the fact that this decision was made before the debate at Lake Success had been concluded, and when it appeared to the whole world that the antagonist to American policy was India herself.

So that when President Truman, in his message to Congress, said, that "it is the beneficent tradition of the American people never to allow differences on politics to influence any decision connected with human welfare and human suffering", I think he was speaking, not in the dialetic Party manner but in the universal language of American kindness that unites members of all parties.

And I think it is worth remembering that the decision of the United States in respect to its own supply of food grains was not an impregnable one. The Secretary of Agriculture has suggested that it is essential to the United States, during this period of continued international tension, to have reserve supplies of wheat running to about 500 million tons. If this gift was to be made to India the reserve would be cut to 375 million tons, and fall short of what is considered to be an adequate reserve. But Mr. Brannan himself joined with the President in saying that "if we were not making any sacrifice, then we would deserve little thanks for our act of generosity." This gift would cost the American people, when all administrative costs are added to the price of the wheat, $190 million dollars. It would be made in two instalments—half of it as soon as Congress has given its approval, and the other half by arrangement of the E.C.A. at a later date to suit the convenience of the Indian people. All wheat imported into India is purchased by the Indian Government, but the Indian government has agreed to set up a fund from the revenue derived by selling this wheat to the Indian people, and this money will be devoted to the advancement of Indian agriculture, so that the recurrent threat of famine in India may possibly be lightened.

Congress has not yet given its final approval, though the overwhelming sentiment in both parties is unmistakably in favour of the President's message. A small group of honourable Republicans have dissented from the American proposal of an outright gift, and have suggested that India should at least make token payments in return by increasing her shipments of certain strategic raw materials into the United States. The Secretary of State, Mr. Acheson, has said such procedure is not desirable and "we hope that the House of Representatives will join the Senate in allowing the noble moral initiative of the American people to shine forth unblemished and unqualified," and that perhaps this would be a useful instrument in the work of reconciling the differences of the government of India with that of the United States, if any such differences still exist, and if not, to strengthen the co-operation which had always existed between the two peoples.

I thought it best to begin with this, not central aspect of American foreign policy, because it seems to me to lead with some naturalness into the discussion of the current Korean problem.

I speak with some restraint on this subject, because events are moving so swiftly, and at the moment the paramount influence in shaping the policy is the course of the military conflict itself rather than the formulas which are devised in the various chancelleries of the world.

I would like to suggest, if I may, that a great deal of unnecessary bitterness, based on incomplete knowledge of the record, has crept into the public discussions of this whole problem. We are now wondering, and worried, what will happen at the 38th Parallel. May I most respectfully suggest two or three things for your consideration.

In the very first place, the 38th Parallel has never, since 1946, been recognized by the United Nations as having any validity in international law.

In the second place, due to the lie of land at that particular spot, it is an operation of enormous military hazard to try to hold that particular line. It is, I am told by military people in Washington, much easier to hold a position some miles back of the 38th Parallel or some miles in advance of the 38th Parallel; nothing would be worse than to remain stationary at the Parallel.

There is some talk in this country, as well as elsewhere, that it would be serving the cause of peace if the American government, which is the instrument charged by solemn referendum by the United Nations, to enforce the policies of Lake Success, to tell the world that it had agreed to stop at the Parallel and not move beyond. I am told—and I speak on this military subject with the enormous authority of a former corporal—I am told that it would be helping the Chinese to make their own military decisions if such a pledge were given to the free world. And that is the ultimate factor which has made the American government keep secret the decision which has already been reached in the patient, courteous, diplomatic negotiations that have been continued for some weeks now between the members of the coalition in Washington. We know what is to be done, but there is no reason why we should tell the enemy.

Now may I just, for purposes of clarity, remind you of the two reasons why we crossed the 38th Parallel last fall.

The first reason was to establish the principle that the territory of the aggressor was not to be treated as immune from attack. We had driven the North Koreans back to the stop from which they had launched their invasion of South Korea. If we had stopped then, we would have given the North Koreans the chance to regroup, at their own convenience, and to advance in a new attack on South Korea when our attention had been directed elsewhere.

It was in many diplomats' minds that it was the judgment of history that in 1918 we had erred in stopping short of Germany, just as I think it will be the judgment of history this time, that, remembering that error and anxious not to repeat the mistakes of the past, we went I suggest to the opposite extreme and perhaps inflicted too much damage on the soil of Germany. No one would expect me, Sir, in discussing the German problem, to speak the language of revenge, or to detect in my accents a plea for retribution. The problem is not to keep Germany down, but to let her recover, on terms of equality with the free world. But that is a digression.

The first principle, as I have said, was to see to it that the territory of the aggressor was made to smart beneath the judgment of international law.

But the second, and more important, principle was not one of punitive action: it was to establish a new principle in world affairs. I will never forget, I hope, the moving speech in which Sir Gladwin Jebb stated the high accents of British policy, when he reminded the Assembly that the war that had been fought in South Korea was a war without precedent, we had tried to marshall the moral resources and the material power of the free world, to make sure that aggression would be resisted by collective action. If this attempt succeeded, the future of the world might be transformed, and just as the war itself had been without precedent, so we were charged with the task of trying to make it certain that the best settlement which we arranged would also be without parallel. It was, in Sir Gladwin's words, to be a righteous peace, and therefore one that would abide, an exemplary peace.

And we saw to it, by resolution of the Assembly, that North Korea as well as South Korea was to participate in equal terms in the work of re-construction, that was to proceed under the auspices of the United States. We limited the power of the South Korean government to act on behalf of the whole peninsula until the work of reconstruction had become an actual reality.

And it was during this period, when we were thinking of demonstrating what the reconciling mercies of international justice could do to a country which had repented of a crime, that China struck her blow, and it at once cast the scene into dark shadow.

What about the problem today? I think there are many misconceptions. Some people say there is great danger of a limited war with China. If the United States had wanted a war with the mainland of China it could have had it any time within the last four months. Its restraint demonstrates its great care to avoid such a major conflict with the Chinese people, linked over many generations in cordial friendship with the American people.

Then there is talk of the danger of a limited war. I suggest that the Korean War *is* a limited war, and the whole purpose of American policy is to see to it that if the United Nations' effort succeeds in this limited war, we may make it immeasurably more difficult for Russia and any other aggressive state, to create a general war.

Then there is chatter about the danger of sanctions, and we forget that for seven months the supreme sanction of all has been applied in Korea—we have applied the sanction of outright war against the aggressor, and the troops of the aggressor are suffering the consequences. There can be no sanction more ultimate than that.

And I rejoice that after a period of delay, Canada is now standing as a brave sentinel on that threatened frontier of human freedom and is adding a new chapter of which we Canadians will have every reason to be proud.

Now the immediate problem resolves itself into a question of closing the frontier by ground troops. We should remember that for seven months the territory of North Korea has been subject to attack from the air, by low-flying bombers and by bombardment from vessels at sea. Apparently there is no moral principle involved in attacking North Korea by air and sea power, but we reach a new philosophy when you contemplate crossing a natural frontier by the use of ground troops. I simply observe on that point that it would be well to remember that if we do, as a United Nations force, cross the frontier for a limited and agreed distance, under the right flank, into Korean territory but away from the border of Manchuria that what may appear to us on the outside as an act of incitement is really in the judgment of the responsible policy-makers who have agreed to that action, a contribution to a cease-fire and peaceful settlement.

If we do not cross the 38th Parallel, and there is a cease-fire, then the Chinese alone are compelled to withdraw their troops from North Korea. But if the United Nations are on the soil of North Korea for a limited distance, then we as well as the Chinese will have to withdraw military forces.

I do not press this argument too far: I simply suggest it is an American philosophy. It is designed to aid the achievement of an easy cease-fire, and is not intended to prolong the conflict or widen the area of unrest in Asia. I do not say the frontier will be crossed, that depends on the judgment of many phases.

I suppose it is in everyone's mind to ask what chance there is of detaching China from Russia.

There are at least three reasons why it was easier for Tito to revolt against Stalin than it will be for Mao.

In the first place, Yugoslavia was the only satelite country that regained its freedom without the help of the Red Army; but the ultimate result of the Chinese War would not have been what it was had there been less military help from Russia, so the link is greater between Mao and Stalin than it was between Tito and Stalin. It was always very easy for Tito to get friends: all he had to do was to turn his neck the other way, and he saw the lifeline to the Free World. Where is that lifeline in Asia? India has no military power. Indo China is menaced. What can you rear up as a counter-balance to Russian domination? There is only one power, and that is Japan, and there you face two decisions: will you, as a matter of deliberate policy, decide to rearm Japan? And, secondly, in view of their history, how will you promote friendly co-operation between the Chinese and Japanese peoples?

Thirdly, Tito was able to make a great virtue out of the fact that he had quarreled with Stalin. He became the prophet of nationalism against Communism. But in China today you have not only a national revolution, but part of a Communist-organized revolt against what they call Western Imperial Powers, and Tito's speeches seem to suggest that he regards Russia as anything but an imperial power, and decides upon the Western world to discharge the burden of guilt for oppressing the coloured people in the Far East. That of course is a libel under the truth, a travesty of history.

We must wait until events demonstrate to the Chinese rulers that what Russia promises is very much different from what Russia performs, and that we are her friends, and it is our consecrated task in this generation which has a rendezvous with history to see to it that a world will be created in which racial immoralities will no longer exercise their influence, and in which all men of good will in all ranks can unite to create a new inheritance, a freedom and dignity for all peoples.

There was one great argument that was used during that debate which I thought had no place at all in this conference. There were many people, not altogether without company in Canada, who said the United States was drifting into an interminable conflict in Asia, and she would have no margin of reserve strength to employ in Europe, and Russia's chance for sudden and easy conquest would soon appear before the world. I suggest, most sincerely, it was a bit of patronage on our part, on the part of people outside the United States, to remind President Truman, General Marshall, and Mr. Acheson, the architects of the Marshall Plan and the North Atlantic Treaty, of the primacy of Western Europe in the preservation of the Free World.

Look at what happened within a matter of days of the Assembly having adjudged China to be guilty of aggression in Korea? The Administration in Washington laid before Congress a plan unprecedented in American history to establish new American Divisions in Europe as part of an international army under the leadership of General Eisenhower. That will go through Congress easily.

So that today you have the United States, honourably inspiring the Free World to live up to the obligations of the charter in Asia, and at one and the same time, using its great strength to augment the resources of the Free World against Russian attack in Europe.

I do not wish to suggest that American policy is without blemish and without error. It has made many mis-

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takes of timing, lack of finesse in proclaiming the policy, perhaps impulsive desire to seek a quick solution. I remember hearing Mr. Acheson, at one of the press conferences, say that he wished more Americans took to heart the warning of Ralph Waldo Emerson that they should not have "such a hunger for sudden achievement."

But, granted incidental mistakes, on the broad swing of policy, I think the verdict should be that America has her sights on the right target and is making a massive and indispensable contribution to the preservation of everything that the Free World cherishes.

There is of course much talk about Russia striking in Western Europe before we get sufficiently strong to make the men in the Kremlin think twice before they decide on a policy of military adventure. That is a very complicated subject, and it demands a clear and conservative analysis, which I can not now attempt; but I think there is no need of any detailed argumentation. There is one simple and decisive answer. All the men who have been writing in Europe about the danger of the new policy being an act of provocation to Russia are not the men who are charged with the responsibility of government in Western Europe. General Eisenhower has received the urgent request from these governments to send American troops, and to send them quickly, and to their judgment, this would not be an act of incitement to Moscow: it would be an invaluable contribution to the preservation of peace. So I think the men who should know most about this problem, the leaders of Western Europe, enthusiastically welcome American co-operation.

Since I have been in Washington, the most impressive thing I have seen and heard was the testimony of General Marshall before the Senate Committee. He said, It was not enough to say we would be liberating Europe after it had been enslaved; we would be liberating a corpse. We should remember we were the grateful heirs of a civilization created by Europe, and in this hour of tragic history, it was the duty of the United States not to have a precise mathematical calculus of what it can do, but an overwhelming moral mandate of what it was to do if something precious in the American conscience was not to wither.

He went one stage further. He said, simply to align ourselves with Europe by giving her a promise of air and sea power is not enough. In Korea, if one counts the marines as part of ground forces, 99% of the casualties have been suffered by ground troops and only 1% in the sea and in the air, and General Marshall said, "Unless we bear our proportionate share of that burden of responsibility in Europe, we will not be making an honourable division of labour in the endless task to achieve a righteous peace."

And I think that nothing was said in that debate which impressed the members of the Senate more profoundly. It is with reason that General Marshall was considered the greatest living American in the public service of his country.

I am temporarily exiled from Canada, and I have no desire to express an opinion on Canadian policy, but as I listened to General Marshall, I prayed devoutly if for at least one hour he could have been a Canadian.

I have talked much longer than I had planned, perhaps much longer than you had hoped. I would like to close by suggesting that there is one task which transcends all others, as we try to keep the ramparts of our civilization from falling beneath a Russian challenge. That task, inescapable, momentous, abiding, is to see to it that the members of the Commonwealth and the United States march in confidence, equality and good fellowship towards the horizon of a more assured future.

Great Britain came to her greatness through a cycle of the ages. She had time to learn the restraints of power, to realize that there are no short cuts to a successful settlement of a complicated problem, to learn that one can not force the judgments of history, that nothing is ever settled until in the end it is settled right, and that the ultimate mandate proceeds not from the battlements which proclaim a nation's military power but from the still small voice which speaks the conscience of a noble people.

America rushed into greatness almost overnight, and we should not be surprised if this young giant is not always active with the kind of judgment, balance of comprehension which older people, by exacting responsibilities over years, have demonstrated when they were at the helm of world affairs. There can be no greater contribution than an understanding and desire in our own hearts and minds. Let us not read our own fears into American policy. Let us, in this hour of difficulty, be a good neighbour. We surely, of all peoples in the world, have reason to understand the magnanimity, the noble purpose which animated the American people.

By such counsel, courage and comfort, America may rise even above herself and stand with the great architects of world history, the nations that gave us the blessing of a just and durable peace.

VOTE OF THANKS, moved by Rt. Hon. Arthur Meighen.

"THE WORLD AS I SEED IT"

An Address By

ETHEL ELY PATTISON
Chairman, International Seed Inc.

Thursday, March 29th, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by Mrs. Ethel Ely Pattison, Founder and now Chairman of the Board of Directors of International Seed Inc., of New York City. International Seed, which Mrs. Pattison describes as a marriage of the scientific and the commercial, is the only enterprise of its kind in the world. It would be fair to say that every Government in the world when concerned with the matter of seed consults Mrs. Pattison and International. In addition to the buying and selling of seeds, grasses, flowers, vegetables and spices, this Company does laboratory work, arbitrations, consultations, and research.

Mrs. Pattison received her primary and secondary education in Washington, D.C. after which she pursued her studies informally in America and abroad. Mrs. Pattison is a very informal person and a most interesting one. To quote from biographical material, extracted with some difficulty from her secretary, Mrs. Pattison says: "I have no degrees, no titles, and no decorations. I guess my only mark of distinction is that I am still hard at work after 43 intensive years in my field and still enjoying every minute of it". I would add that she has declined several decorations from foreign Governments as a matter of principle. Mrs. Pattison formally started her career in the Seed Laboratory of the United States

Department of Agriculture. She established several laboratories in various parts of the United States and lectured on Seed Science soon achieving a worldwide reputation as a seed analyst.

During the First World War she was a Director and Officer of one of the largest importing seed Companies, and in 1924 she realized her fondest dreams by establishing International Seed Inc. From that time to this she has travelled on five Continents, and upon Seven Seas, has crossed the Atlantic more than fifty times. She leaves next week for New Zealand returning home via India, Egypt, Rome, Paris and London. At the end of World War II she was drafted by UNRRA and spent two and a half years as European Seed Co-Ordinator with headquarters in London, England. When not in her New York office Mrs. Pattison lives on her Connecticut farm, in a house almost three hundred years old built in the time of Charles II by some of the original Pilgrims. The formal title of Mrs. Pattison's talk is "The World As I Seed It". She has, however, advised me that there are two alternate titles "E.C.A. At Work", and "Seed Can Banish Fear". Presumably we may take our choice.

MRS. PATTISON: Yes, definitely I am happy to be here (Toronto), and before I have finished reading this and doing a fair share of ad libing some of you may wonder why it ever happened. I will tell you—and this telling will give you the privilege of saving your (figuratively) rotten eggs and cabbage for the one who is guilty of the crime. His name is Sydney Hermant, and I understand he is your President. He is not only guilty of this crime, but he is guilty of choosing the title. If he hadn't stopped me you probably might have had something worse, such as "The World Without Fear", but certainly not in the Harvard style—only in the same unorthordox style I always use, and am using.

While I have given many speeches in many parts of the world I have never written one in advance. Writing this one is really a new experience for me. I am doing this while I am marooned on a rainy, windy, March day at my farm in Connecticut without recourse to that pile of statistics which are filed in the office and stored in the loft and in other places such as the public libraries. Now we all, including myself, can say "Thank God".

The world began to be seeded, according to the Hebrew legend, and not by me unless I was incarnate in Eve, a little over five thousand, seven hundred years ago by God, and it was the first thing He did after His two days of work making the Heavens and the Earth and the waters thereof. In fact it was on the third day. Chapter 1, Genises, V.12, reads "And the earth brought forth grass, herbs yielding seed after their kind and trees bearing fruit, within is the seed thereof after their kind, and God saw that it was good". Despite all that I have seen men do in Seed I still am old-fashioned enough to believe that God, Allah, Jehovah, or whatever one wants to call the Infinite One, is the One with His evolution, wind, water, and other tools and powers, who Seeds the World and the Universe. One can pick up the same train of thought in the hieroglyphics and pictograph records of more ancient civilizations—those of Egypt, Mesopotamia, China, and if one is a geologist they can see Seed History is such really ancient ruins as the Grand Canyon of the Colorado, reported to be one million, five hundred thousand years old.

But as your delightful President, Sydney Hermant, has put "I" in the title of this speech I reckon I had better return to "I". The title sounds autobiographical, and as the RAF used to say in World War II "You asked for it", so don't blame me. Here goes.

Fate, for want of a better name, pushed me into Seed at a very early age, and Fate—better defined just as "Necessity" and later as "Love"—has kept me in Seed for forty-three years, going on forty-four. I hope health and opportunity will keep me therein for another six, even if the last six will be as the Sphinx described on "Three legs", and as many poets and doctors describe as "second childhood". Having started in a simple capacity and having obtained the unofficial title of "Seed

Queen" I shall not grumble if my last Seed jobs are "Charwoman Jobs".

I can't in any way be described as a "Career Woman", despite the fact that had I the power to choose and relive I would not choose such things as "Prima donna" or "Ballerina"—I would choose "Seed", for I do not believe love of any vocational profession would be as gratifying to the five senses and the spirit as the non-Parasitic profession, if one may call it that, of "Seed". It has given me everything including the opportunity of living the full life of a woman. Now don't hold your breaths, I am not going to launch into recital of my feminine secrets. If you were all younger—say college age—and if there was to be a question and answer period after this talk, the first thing the girl students would ask is "How did you manage to specialise in both Seed and Men at the same time", and my answer always starts out with "It's easy", but that's not where it ends. It ends with "Not without courage".

Granting that I may have been born with one gypsy foot, I wasn't conscious of it until at the Seed Laboratory of the United States Department of Agriculture I was fortunate enough to begin looking at, and separating Seed samples, on Seed characteristics, that were sent in—through, of course, the "Proper Official Channels" by such outstanding plant explorers as David Fairchild, and if there be any who have not read his autobiography "The World was my Garden" I recommend its reading. It doesn't tell ten percent of his great deeds and even to-day I thrill over the great opportunities I had to even see a tiny bit of his great explorations in the form of seed from all over the world, and to know that I have now been to many lands from which they came. To spend some part of one's life in such out-of-the-way places as Turkestan and to stand at a point east of the Aral Sea and behold fields of Alfalfa that had been there since before Alexander of Macedonia, who in BC 334 began one of the greatest continuous marches in history, to know that Alexander picked a plant of Alfalfa and sent it home to his Tutor Aristotle to become, by legend or fact, the first plant in a real plant herbarium. To be there to arrange seed material to be sent to USA for that Senior Agronomist, now dead, Harvey Westover, and eventually to become breeding stock for some of our wilt-resistant strains, still thrills.

These kinds of memories are more thrilling than those of being successful in buying five hundred tons of seed and earning two percent commission. Of course, the family would have starved to death and the business gone into bankruptcy had not the profit been earned.

When one looks at the history of Agriculture, of which Seed is to my way of thinking No. A1 priority, it is hard to realise in these days when there are so many Agricultural Schools in the world, that the first agricultural school, that of Gembloux, Belgium, is hardly over one hundred years old, and the pioneering effort in the USA didn't begin until 1850 (Michigan, please take a bow). Seed Science, or Seed thought of world-widely, is, of course, very young. Now I wasn't in at the beginning and while I remember the old tales I wouldn't go on record of just where, when, by whom, it all started because I would have dozens of people on my head denying this and claiming that. It's enough just to realize that it is fairly young, and the surface hasn't been but barely scratched. Some of the scratches have been rather deep, and have brought forth many marvellous results, and hold great promises for the future.

My part in this magnificent seed drama, in which I have been on the stage these forty-three years, has been a very minor one, and the best that can be said of it is that it's been in the roles of a catalyst, or co-ordinator, or a tramp. I haven't any initials after my name or any prefix before it, and I wear no symbols of honours on my chest, although I modestly confess I turned down one or two which would have been presented if I had said "Yes" to the overtures.

The first word of the title is "World", and I have seen a fair part of it—five Continents and Six Seas, and I am soon to see the Sixth Continent, Australia, and the Seventh Ocean—the Indian. All that will be left then is Antarctica and the Antarctic ocean. I have been several times above the North Arctic Circle. Most of the travel has been in monotone "Seed", but the tempo has been the profit-motive, except those years such as 1944/45/46 when I tried to do my part in the role of UNRRA's European Seed Co-Ordinator.

Instead of going on with a short recital of my "Seeding the World" as UNRRA's Seed Co-Ordinator I will take a few minutes to speak of a dramatic period of about five years—or maybe I had better say ten-thirteen years. There was five years' travelling in the various Republics of the USSR—but there were years previous to this block of time where interesting agricultural work was done more or less sitting on the sidelines, and then, years after, as UNRRA's Seed Co-Ordinator, much thought and time had to be given to the two USSR Republics, Byelorussia and the Ukraine. Russia was always, and is to-day, an area intriguing the minds of those of us in Agriculture. I amusingly confess that my first knowledge of Russia came at the age of four, from the famous pianist Paderewski at a time just after he told the Czar of all Russias, following a Command Performance, that he was not a Russian, he was a Pole—and Poland then belonged to Russia. It took me quite some time to find out that Russia was really a country and that being a Pole was something other than one who walked on pole sticks. But my first agricultural intriguement came about ten years after the greatest of Cerealists, Mark Carleton, went on his famous search for rust-resistant wheats in the Black Lands of Russia (principally Ukrainia and the North Caucuses), and he found them there and brought them back, which resulted in revolutionising wheat production and milling. There is hardly a time when I eat a piece of bread that I don't think of Mark Carleton of the United States Department of Agriculture, and Russia, and I in the late Twenties played a part in the collection of American wheat with Russian blood therein in order to rehabilitate Russian wheat acreages with good wheat after everything had fallen into complete chaos from World War I and the Russian Revolution. When Mark

Carleton went to Europe in 1898 scientists were predicting that by 1931 the increase in population would overtake the possible production of wheat as then grown. I have not seen the figures of the last eight years of Wheat Production of the World—not those of my country nor yours—but one only has to look back to the figure of 1907, when the wheat production in the United States was but forty-five million bushels, and this was on an average yield per acre of twelve to eighteen bushels compared with an eight to ten bushel average yield of just ordinary wheat; and at the time that the then-called "Seed and Plant Introduction" was founded our generous Congress gave Mr. Fairchild the unheard of sum of twenty thousand dollars to do the job, and this twenty thousand dollars not only had to run the office and pay all the expenses, but had to cover all the expenses of the plant explorers such as Fairchild, Carleton and Swingle. In helping to collect these wheat strains in America for USSR, mostly for purely private-enterprise profit motive reasons, certainly never from ideological reasons, I get a little breathless, and probably somewhat worried, when I think that USSR doesn't only produce enough wheat for its own consumption of more than two hundred million people, but has those large exportable surpluses which it can dump on the world market as it did in the early Thirties and break the market, or, as it can now, with bilateral and other Treaties, deliver huge quantities of grain to such as our Mother Country. At that particular time I was travelling with quite a noted Soviet Citizen, who has since been liquidated, who was not geared to Americanski tempo and was somewhat provoked over my haste and worry, and who taught me a Russian proverb which I have continued to use in my life and in my vocation, Seed—"In one minute anything happens". This is a very helpful proverb if one can always play the role of an optimist.

Besides helping with the establishment of the wheat acreages and the movement of this wheat acreage northward out of the drought areas I played a small part in the movement of Ukrainian Red Clover and Turkestan

Alfalfa westward, the building of the Soviet Florida on the Black Sea, the establishment or extension of such cultures as Soybeans, Peanuts, and Cotton, and a little in the mechanisation of Soviet agriculture. On these trips to USSR, where I wandered around in both the European and the Asiatic parts, as well as those above the Arctic Ocean, and those known as Subtropics, I witnessed first-hand the great tragedy, and its results, known as the Agrarian Revolution; the breaking of the backbone of the Kulachs; the formation of great Collective and State Farms. We, who are in Seed for scientific or commercial purposes can never forget—and, if we are good patriots, must never forget—the agricultural potentials of USSR and the now-called Satelite countries, all of which I have seen not once but many times.

Returning to the item "Wheat" and before I go on with a little travelogue about UNRRA I should like to mention one fantastic piece of Russian work which still intrigues the Russian scientists, and that is Perennial Wheat. The Russians broke the theory that only "species" and not "genus" could be crossed, and they did manage to cross one genus with the wheat genus Triticum and produce a Perennial Wheat. Nothing of any commercial or economic value has come out of this work, but it still is not neglected, and I believe there is some work on this Perennial Wheat now going on in many places in the world such as Finland, Sweden, Italy, and Switzerland, and while I have seen some of this in the countries just named I think Canada can be added to this list, because I have within the year seen some pictures of Canadian Experimental plots of Perennial Wheat. (At the Experimental Station, Ottawa). There may be nothing to this idea of Perennial Wheat, but it's a good hitching-post where one could hitch a dream. Just think if there could be something such as Perennial Wheat or for that matter any of the cereals produced in gigantic quantities throughout the world what would be the result. Well it would make our present statistics and forecasts look just as absurd as the forecast of the scientists in 1898, and those of Malthus in the early Nineteenth Century, and those of some of our present pessimists of the mid-Twentieth Century. Well, there may never be a Perennial Wheat of any commercial value, but it still has its possibilities and it is a dream of what science may yet do in Seeds through genetics and other scientific roads. We do not need to be worried because there is not enough land or there is not enough brain, or there is not enough yet to be discovered. All we have to do is to first dream and dream straight, and then do, and I hope to look back, after I am no longer any good as even a Charwoman, on the things that are being done in Seed, and the seeds of so many things which are growing in many parts of the world, and which are yet to be discovered and brought forth, such as Sorghums and Sudan Grass have been in the last half-century.

Perhaps the procurement of Seed and its distribution for the Agricultural Rehabilitation Programme, which took only two-and-a-half years (it's too bad that it wasn't longer and wider) will paint in not too-many strokes the most graphic picture of Seeding the World. Such questions as where to get the seed, when seed was scarce, and the money with which to pay for it when money was scarce; how to move the seed and how to distribute it for the greatest results, are only a few problems which confronted me. The absence of Time in which to do a big job, and the ever-present thought that if the job wasn't done timely thousands of people and animals would starve, really were the factors that put the grey hairs in one's head. The job was done, and most of it Timely. It would take more than a mathematician and all sorts of gadgets to estimate the results in tonnage or calories, and there is no way of estimating the uplift Seed gave the hopeless populations.

UNRRA was the first United Nations effort, and I believe it started with something like forty-four countries united, and closed with a number above fifty. Some were so-called "paying" countries—yours and mine belonged in that category—and some were "non-paying", and these are the ones which received the Seed. The Head Office of UNRRA was in Washington, the Head Regional one in

London, and then came the country offices in the capitals of the countries. All had to be visited more than once. These two-and-a-half years were continuous flying circuses in more ways that one. Seed was literally gathered from the Six Continents and crossed the Seven Seas. And in Europe the paths made a gigantic spider's web, for even the poor wartorn countries often had exportable surpluses which some other country needed—e.g. Italian Alfalfa needed sadly by Yugoslavia; excess of Czechoslovakian Seed Rye screemingly needed by Poland, but only to be given up if ton for ton was paid with wheat plus a dollar bonus; Cyprus seed potatoes, which the Cypriots would rather let rot unless an exhorbitant price was paid, for they knew there was no place else to get them, while the Greeks would be left starving if we didn't pay through the nose. It would take too long to name all the countries of six Continents from which we drew Seeds of our seven categories—Cereals, Industrial, Vegetable, Forage, Root, Fibre, Miscellaneous, which included everything from seeds for production of medical needs, to seeds for reforestation purposes. To name the seeds would take too long a list, for there were hundreds of items. I think it can be said that UNRRA contributed about eighty-four million dollars' worth of Seed, and more than a fair chunk went to such Iron-Curtain countries as USSR, Poland, Czechoslovakia and Yugoslavia. Greece and Italy also got their fair share.

Along with such hard work as moving seven thousand tons of Seed Rye in three weeks from one country to another when railroad cars and locomotives were almost invisible, bags and twine equally so, and the hatred of centuries in the European blood, and then to replace these seven thousand tons with milling wheat from three Western-Hemisphere countries (Canada, USA and Argentina), there were dots of humour such as Yugoslavia thinking Alfalfa seed was something from which to make medicine, and some stupid Army Officer in the British Zone of Germany thinking it should be used (and I think it was) for breakfast food for the Germans, and a modest secretary who tried to talk me out of attending Staff meetings because that which was being discussed was artificial insemination and bred heifers and this was no talk for a lady's ears.

And it wasn't all humour and work; sometimes there were moments of anxiety such as being in the Alps at eighteen thousand feet elevation and having the C.47 a target for some frisky Yugoslav pilots' firearms.

Now with your kind permission I am going to rephrase the title, making it read the "World as I see It" and talk about this in the few minutes which are left.

I don't belong to either the Malthusian or the neo-Malthusian groups. I don't believe that poverty and distress are unavoidable since population increases by geometric ratio and the means of subsistence by arithmetic ratio. I firmly believe with continued enlightenment and science that there is enough brain, land and resources to produce more than enough subsistence for man and beast for many times the world's present population; and those who live with Seed can visualise what can yet be done, not only to make two blades grow where one grew before, but make a hundred grow, each one a hundred times greater than the original.

And I don't believe in the dismal forecast of the German philosopher Oswald Spengler, who held at the beginning of this century that Western culture is approaching its death. I do hold with him, on the basis of history, that every culture passes through a cycle from youth, through maturity and old age, to death. Where I disagree with Spengler is that I don't think that this is the "old age" period of our culture. I hold that it is youth, if not infancy, and, therefore, I see a long path forward through youth, to maturity and old age. Centuries to think about and centuries in which to do. And one of the many things we have had right in front of our noses, and in which we have had too much lag, is Harry Truman's Point 4—the sharing of our technical aid with less fortunate countries. This really isn't an idea originating with Truman, but I am never as much interested in who originated an idea as I am in the doing thereof, and certainly in this technical aid programme, whether it be done by the US or the UN, (maybe it can be done both ways). Seed certainly should be the A1 Priority in agriculture. It is pleasing to us who have watched this development to know that at long last Nelson Rockefeller, who heads the Board, has made the Board's programme public.

Now the thirty minutes allocation is up, and I haven't touched on such Continents as Africa and South America. Maybe at some distant date, after I have finished Australia and New Zealand, to which I fly on April 8th, I can come back and talk about the Southern Hemisphere.

VOTE OF THANKS, moved by Lieut-Col. N. D. Hogg.

"WORLD HEALTH"

An Address By

MAJ.-GEN. BROCK CHISHOLM,
M.D., C.B.E., M.C., E.D.
Director General, United Nations World Health Organization

Thursday, April 5th, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: We are to hear an address to-day by Major-General G. Brock Chisholm, M.D., C.B.E., M.C., E.D., Student, Author, Educator, Physician, Soldier and Administrator. General Chisholm was born and received his early education in Oakville, Ontario. He graduated in Medicine from the University of Toronto; did Post Graduate work in London, England; and then was a Member of the Staff of the Institute of Human Relations at Yale University. He later practised psychological medicine in Toronto. Having volunteered for Active Service at the age of 18 in the First World War Dr. Chisholm has retained his active association with the Army and, during World War II, he became an area Commandant then, in succession, Director of Personnel Selection, Deputy Adjutant-General with the rank of Major-General, and Director-General of Medical Services. At the end of the War he was appointed Deputy Minister of Health, and is now Director-General of the United Nations World Health Organization with headquarters at Geneva, Switzerland. This is truly a distinguished career of Service to Canada, the Empire, and the Cause of Free Men everywhere. Major- General G. Brock Chisholm will now address this meeting of The Empire Club of Canada on "World Health".

GENERAL CHISHOLM: First, may I thank you very sincerely for this opportunity to speak to you on a subject which is very important.

Then may I apologize for failing to appear the last time I was scheduled to speak to this Club. Circumstances beyond my control prevented my being here; instead I was in a railroad wreck, and I am eternally grateful to Dr. Blatz for having pinch-hit and for doing such an excellent job on such short notice.

World health is such a great problem, with so many facets and so many things to talk about, that it is impossible for me to give you a complete picture. I would not presume to give you statistics about world health. Most of those published about the incidence of diseases have been made up in somebody's office, and they have relatively little relationship with the facts of life in the country concerned. This is so simply because there is not enough organization in most countries to know even what the population of the country is, let alone the number of diseases amongst millions of peoples where doctors hardly exist at all, nor any qualified people to diagnose the diseases.

The concept of health of course is changing greatly, has changed over past generations and continues to change. At one time health was an individual matter. It was of concern to persons themselves and their own families, and generally speaking ill-health was regarded as the result of offending one or other of the gods, or it was ascribed to the machinations of devils of various kinds.

The treatment in those days consisted in propitiation of those gods or devils, but gradually more intelligent methods developed in many parts of the world, and health was recognized as having some relationship to the environment.

International health has quite a long history. For some hundreds of years arrangements have been in effect between countries to prevent the exportation or importation of epidemics. The latest step in this long progress is represented by the World Health Organization.

The World Health Organization is one of the Specialized Agencies of the United Nations. There is a good deal of misconception about the status of the specialized agencies. They are numerous, they range over most of the fields of responsibility between countries. Besides W.H.O. there are UNESCO, (United Nations Educational, Scientific and Cultural Organization), FAO (the Food and Agriculture organization) the International Trade Organization, (which is still in an interim commission stage) the International Labor Organization, the International Monetary Fund, The World Bank, the Universal Postal Union, and the International Telecommunications Union. This list shows the diversity of activities crossing international boundaries, and the areas in which the countries of the world are co-operating with each other to get things done for the welfare of the peoples of the world.

The United Nations itself represents the latest step in the social development of the world. At this stage the United Nations is still only a hope. It has not yet fulfilled, nor is it in any position to fulfill, its destiny at the present time. The constitution of the United Nations, and those of the Specialized Agencies, are founded on the hope that there may be found in the world, in enough places and soon enough a sufficient number of mature civilized people who are capable of living as world citizens and of carrying the responsibilities there set out. Those responsibilties are not easy, they are very heavy, and they are not yet by any means implemented; but they do raise a very real hope for the human race.

The human race at this stage of its development needs hope, because it has become necessary to recognize that the old behaviour patterns of our ancestors are no longer good enough. The methods by which the race has reached its present stage of development will not serve in the future. Warfare, ruthless competition, has been common in the past. Warfare has been one of the most consistent behaviour patterns of the human race through all recorded history. The time has come when the human race can no longer afford, in self-interest, to behave in those ways.

But this is a very difficult problem. It is not enough for small groups of people here and there to say "the time has come when we do not propose to fight anybody any more." If all groups had come out of what we may call roughly the "Middle Ages", at the same time and in the same direction, we would all be at the same level. But that is not true. At the present time we have large numbers of people who are only just beginning to come out of the Middle Ages; socially and economically they are still back where our ancestors were a long while ago. This is recognized by some of them themselves. For instance, some time ago a Russian, in speaking to me about our difficulties of understanding each other, said he believed that the main trouble was that our values were so different. He said, "The importance you attach to what you call the sanctity of human life does not impress us at all at this stage of our development, but I must remind you, you have been impressed with it only recently. You should see things in their proper perspective: you should remember that many of the great fortunes in the United States and in England were founded on the slave trade." He said, "It is only a hundred years since you were using hundreds of children as chimney-sweeps in London. They all died after a few months and you thought nothing of it." He said, "At that time you were already 600 years beyond your Magna Charta. We are not yet 40 years beyond ours."

This is a fact, and an important fact. That does not mean that we find the methods of some of the peoples in the world any more tolerable to our Western ideas, but it is helpful to recognize the great differences in the stage of development of many of the peoples in the world.

Another Russian said something to me which has important implications. He said, "You know, Dr. Chisholm, you people in the West would also have trouble if you had to live intimately with your own great grandparents." We must recognize that millions of people with whom we have to live intimately, were the sons and daughters of, or were themselves, slaves who could be beaten to death or sold. It is not to be expected that these people can develop over ten generations or so within a few years.

That does not make it much easier for us to be tolerant about their attitudes and practices. Their ideals are often admirable, but we find it difficult to tolerate their methods and practices. We should remember though that our ancestors even as late as Cromwell, would not have found those practices and methods intolerable, but only natural.

This poses a tremendous problem in the world, but there are relieving features. It is well to remind ourselves that even our own ancestors, except by mistake, never took on anyone that was too strong. They only took on the weak people who could be taken over and controlled. That is the pattern, it has always been the pattern of aggressors: they have to believe that they can win, that they can gain something. In times past it was possible to win and to gain, but that time has gone.

At one time warfare could be quite a pleasant occupation, it was pleasant to raid across borders and collect a lot of women and treasure and bring them home, but no longer. In the future no one wins a war. It is true, there are degrees of loss, but no one wins. And that is far truer in the future than it has been in the past. Modern methods of warfare not yet used are so potent that very large populations can be killed very quickly; and there is a certain degree of security in that fact. Very many generals now recognize that they can not win a major war. Nobody can win but an attempted war of aggression can be very expensive and futile.

The time has come when the peoples of the world need to re-examine the whole picture of how to *stay alive.* But the methods of staying alive for the human race, the methods of survival, need to change drastically.

In a short while the human race has gone a long way, they have been able to defeat other animals and forms of life. They defeated the big animals a long time ago. The medium sized animals are pretty well under control.

Rabbits are still a pest in some parts of the world, and rats can kill many hundreds of thousands of people, but they do not form a real threat to the survival of man. Even the little animals, the bacteria, have been brought pretty well under control, and those that are not under control at the present time are not under control, not because of deficiency of knowledge but deficiencies in man's social development. For instance, such diseases as smallpox, diphtheria, venereal diseases, malaria, and many other diseases, are quite capable of being controlled completely at the present time as soon as man is willing to invest the time and money that will be necessary to control those diseases. That does not mean to say that any one of them is permanently defeated; none of them is ever totally defeated, but for instance it should be a disgrace to any family or community if anyone should die of smallpox or diphtheria. It is not necessary at all. But this is only true as long as man continues to man his defences, to do the things necessary to prevent epidemics.

Internationally something can do done, but it has to come first from national effort. In many parts of the world, nations are beginning to recognize their international and world-wide responsibility for control of diseases.

A country like Canada of course has relatively few health problems as compared with the masses of the world's population. No one in Canada has lived many years without ever having enough to eat whereas in many parts of the world hundreds of millions have never had the experience of having a full belly. Many millions of people have known nothing but hunger from birth on.

The people in Canada hardly know how fortunate they are, and it is not particularly to the credit of the people in Canada to have happened to be born here, as many of us were, but it is an extremely fortunate country. That fortune can not be exploited indefinitely without greatly increased concern for the welfare of other peoples. It is essential that the peoples of the fortunate countries carry a greater load for the less fortunate who can not carry loads for themselves.

This has become a very little world. At the present time hundreds of millions of people are beginning to have a fair idea of the way other people are living. They did not know about these things before, but now there are many people in the world who have nothing, who begin to realize that there are other people in the world who have a great deal, and there is a rising tide of emotional tension as a result. For self-preservation it becomes essential that the "have" nations and the "have people" should begin to carry far more responsibility for the well-being of the peoples of the world. Whenever there are enough mature people in the world, this will happen, but our education in the past, generally speaking, has not carried us beyond the local level. Until quite recently, patriotism at a national level was regarded as the highest social development, loyalty to the welfare of one group of people within national boundaries was regarded as the ultimate, and in some places in the world the internationalist was regarded as a contamination.

The time has come when the world must have, for the survival of the human race, large numbers of people capable of functioning as world citizens, equally concerned for the well-being of all the people in the world, quite independent of their colour, race, ideology or religion. This has become a very little world and it is impossible in the future for small groups to feed on and exploit large groups of people.

The United Nations has set a high standard, but not higher than is necessary for the self-preservation of the peoples. The nations of the world have begun to recognize where their security lies. It is clearly seen in the field of working together rather than in ruthless competition.

One of the examples of this is seen in the first statement in the constitution of the World Health Organization. There is there set out a definition of the word *Health*. 75 nations have now signed this constitution and ratified their signatures. Health is defined there as a "state of complete physical, mental and social well-being, not merely the absence of disease or infirmity." The breadth of this definition is highly significant. It means that the nations of the world have recognized officially the responsibility incumbent on each individual for being a citizen, not just getting along for himself but being able to live advantageously to the world.

There is another statement in that constitution that is of great importance. It says, "The healthy development of children—and of course *healthy* meaning physically, mentally and socially—is of basic importance. The ability to live harmoniously in a changing total environment is essential to that development." This again is a clear recognition of a drastically changed world, which will continue to change, and it indicates an acceptance of the fact that the old patterns, almost hereditary in their rigidity, are no longer valid.

That is not to say that everything in the past should be discarded. That would be ridiculous of course. It is not to say that many of the principles on which we were brought up should be discarded, but it is clear that no one can be the judge of what should be discarded except this generation, which is living in a new kind of world, and a new kind of world where the old patterns will no longer guarantee the survival of the race.

We have to look to our education, we have to consider what steps should be taken to see that the country in which we may live is contributing its part to the peace of the world. And that means, at the present time, putting armed forces at the disposal of the United Nations. It means corporate strength to prevent aggressions, but it also means helping the next generation to be better citizens than we have been, to be capable of assimilating and being assimilated to a degree to which we have not been capable: to be able to live with kinds of people with whom we have not been able to live peacefully, to recognize that there are hundreds of millions of people in the world with ways of life very different from those which are honoured by us, and that there is something to be learned from all of them. It is true that in each country we find a way of life which the people in that country like, and in many parts of the world we find peoples thinking their way of life represents the ultimate and the highest and best, and that if everyone would adopt this way of life, everything would be very pleasant —which is a nice idea, but it is not true. In the first place, it is utterly impossible, for instance, for the peasant in China, or for the poor agriculturist in India, to adopt a Canadian way of life. How would he go about it? Somewhere, some day, it may be that a common way of life for all the people of the world may be discovered, but that time is not soon.

At the present time there are many experiments in living going on in the world. Most of these experiments have their good points, and most of them have their unfortunate aspects. They all suffer from misinterpretation in other countries, just as life in this Western country suffers from misinterpretation in the Eastern European countries, so life in the East suffers from misinterpretation in the West.

For instance, the picture that is commonly seen, say, of the United States in Czechoslovakia, comes primarily from the American movies. These are largely gangster movies—there are a certain amount of Wild West movies and musical comedies. The people who have not yet developed a broad civilization are naive, and there are many millions of people in the world who believe honestly that the people in the United States cower in doorways to avoid flying bullets. That is what is shown them in the movies, and it is reinforced by newspaper headlines of race riots, gang warfare, of arsenals of machine guns, negroes being tortured and burned. And this is the picture that arises in the minds of many people when anyone refers to the American way of life.

On the other side, in Czechoslovakia not very long ago I asked several Czechs what they meant by Democracy, and they said Democracy was exemplified by their government in Czechoslovakia. I said, "Why do you say you have democracy and other people have not?" Then they explained to me why, and the word means something quite different there from what it means in the Western countries. To them in a Democracy no one inherits any control over anyone else. There may be an absolute dictatorship, but if the dictator came from the people and did not inherit his power, then it is a democratic process.

If a few million people use a word to mean one thing, that is what it means. There is no good in arguing as to what democracy actually means, because it means different things to different people. I asked a lot of these people whether they did not think it would be more democratic if they had more than one political party. They were horrified. They said: “Dr. Chisholm, you would again give power to the aristocracy!” I said, “Not necessarily, but there could be more than one party among the people themselves.” Their reaction was, “you would divide the people against themselves, so that the aristocracy would again get power.”

In every country, they do not primarily compare their present situation with the situation of other people in other countries. They compare their situation with the situation of their parents and grand-parents, and from their point of view they are much better off than were their parents and grandparents.

I said to several Czechs: “What about purges?” and they said, “What purges?” I said, “People were shot or locked up.” “Oh”, they said, “that was in Prague. They have always been doing that in Prague, nobody pays any attention to that.” From the people I was talking with, I got the same reaction that I would have got from a New Englander to a lynching in the Southern United States.

This is only an indication of the necessity on our part to develop a degree of understanding and tolerance for other patterns of living. In the meantime it is desirable that our strength be sufficient, and not only in the West, it is desirable also that the Eastern countries remain strong enough to be able to resist aggression—because the history of our own peoples back in the past is not encouraging to those people to lower their barriers. It is only very recently indeed that many peoples in the West have said, “Now we have everything we want, and we are not going to be aggressors any more,” but the others have not forgotten yet by any means. Still people, politicians, get up and say, "We should attack the Russians now, we should not wait five years." A perfectly ridiculous thing to say, and damaging to an extent unbelievable. I have repeatedly had people in Eastern Europe pull out of their pockets a clipping, which says, "Senator So and So advocates an immediate attack," and I have had peoples in Eastern Europe say, to me, "When is the West going to attack?" And when I say, "They are not going to attack at all, they are only frightened of you people in the East", they don't believe it, because they are so impressed with the potency of the West, that they simply can not understand the feeling in the West that there has been.

At this stage of the development of the human race it is quite true that the human being has not yet learned generally to live peacefully together. When that time will come we don't yet know. In the meantime it is quite apparent that the proper solution is the centralization of certain controls.

I would like to read to you a quotation from a speech by Dr. H. G. Baynes, in London, speaking to a group there some time ago—

> "The whole future of civilization depends on one single eventuality: namely, whether the conception of the sovereign state is to be absolute or relative. If certain nations cling to the heroic absolute, and refuse in the last resort to submit their national claims to a super-national tribunal, then it means the collapse of civilization. But if the approach of suicide quickens a response that can shake the world to its foundations, it is possible that the idea of a super-national symbol of authority, whom all must obey, will bind the nations together, not from choice but from necessity."

This idea of centralization of responsibilty with a certain degree of reservation is not new. It has been done in Canada, it has been done in the United States; it has been done in the British Empire, and many other places. Groups of people, large groups of people, have turned over to themselves, in co-operation with other people, certain aspects of their autonomy and their responsibilities.

The time for the next step in that direction is approaching rapidly. It will be necessary in the future for the human race in a corporate body to represent organized strength which will take responsibility for seeing that aggression between groups of people does not occur. Whenever enough people have reached that stage of maturity where they are equally concerned with the welfare of all people in the world, whenever the nations of the world can sink some of their individuality in that degree of co-operation, the time will have arrived when we can really come together to make it possible to hope that our children and grandchildren may survive.

VOTE OF THANKS, moved by Dr. W. E. Blatz, Professor of Child Psychology, University of Toronto.

“CANADIAN FOREIGN POLICY IN A TWO POWER WORLD”

An Address By

HON. LESTER B. PEARSON,
O.B.E., M.A., LL.D., M.P.
Secretary of State for External Affairs

Tuesday, April 10th, 1951

Joint Meeting with The Canadian Club of Toronto

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Canadian Club of Toronto and The Empire Club of Canada: This is a joint meeting of these two great Clubs to hear an address by the Canadian Secretary of State for External Affairs, the Hon. Lester Bowles Pearson, O.B.E., M.A., LL.D., M.P., respectfully and affectionately known in Canada and throughout the diplomatic world as Mike Pearson.

According to his official biography Mr. Pearson was born in Toronto, but I have to-day seen an article in the April 15th issue of Maclean's Magazine, written by Blair Fraser, the Ottawa Editor, entitled “Meet Mike Pearson”, in which Mr. Fraser point out that Mike was in fact born in Newtonbrook, a postal district in North York just adjacent to Toronto. I don't know whether the proposed amalgamation will include Newtonbrook but in the meantime I know that Torontonians with customary unselfishness will want to give credit where it is due.

Mr. Pearson's father was a clergyman and therefore the family moved during his early years to parsonages in

North Toronto, Aurora, Chatham, Peterboro and Hamilton. After a year of study at Victoria College in the University of Toronto he enlisted as a private in the First World War. He received his Commission overseas as a Lieutenant in the Canadian army and later transferred to the Royal Flying Corps. After the war he completed his course in History at the University. Following two years with an American meat packing firm, Mike received a Massey Foundation Fellowship to Oxford University where he obtained his Master's Degree in History and established an outstanding reputation as an athlete as well as a scholar winning his "blue" in hockey and lacrosse. Mr. Pearson then joined the staff in History at the University of Toronto where he achieved the rank of Assistant Professor. He also coached Varsity Football and Hockey teams. He has since received Honorary Degrees from many great Universities, and in 1946 was elected an Honorary Fellow of St. John's College, Oxford. In 1928 Mr. Pearson wrote the examinations for External Affairs. He headed the list and entered the Department as a First Secretary. One of his first important assignments was under a Conservative Government when he made an outstanding contribution at the Ottawa Conference in 1932. He was Secretary of the Stevens Commission on Price Spreads in 1934-35 and was recommended for the O.B.E. by the Rt. Hon. R. B. Bennett, Conservative Prime Minister of Canada at that time. In 1935 Mr. Pearson was named First Secretary in the Office of the High Commissioner for Canada in London, and was later Secretary of that office with the rank of Counsellor. He remained in London until 1941 when he was recalled to Ottawa to become Assistant Under-Secretary of State for External Affairs. He was posted to Washington in 1942 as Minister-Counsellor at the Canadian Legation. In July, 1944, when the Canadian Legation in Washington was raised to Embassy status Mr. Pearson was designated Envoy Extraordinary and Minister-Plenipotentiary to the United States. In January, 1945, he was appointed Canadian Ambassador to the United States, succeeding the first Canadian Ambassador, The Hon.

Leighton McCarthy. In Sept. 1946, he was recalled to Ottawa to become Under Secretary of State for External Affairs. On Sept. 10th, 1948, the Rt. Hon. Mackenzie King, Prime Minister of Canada, announced that Mr. Pearson had joined the Cabinet as Secretary of State for External Affairs. As Mr. Fraser points out in his article, this was one of the great decisions of Mr. Pearson's life. He was giving up the comparative security of the Civil Service for the hazards of party politics although, judging from his majority in his constituency of Algoma-East, in the by-election, and in the general election of June 27th, 1949, and from his present situation, the hazards at least for Mike Pearson don't seem too great.

Mr. Pearson's record of service to Canada and the Empire is a most impressive one. His work last December on the three-man Cease Fire Commission of the United Nations, trying to find a peaceful settlement in Korea, established him as an outstanding world figure and emphasized Canada's growing influence among the Councils of Nations. Mr. Pearson enjoys the dubious distinction of a tribute from the Soviet Foreign Commissar Andrei Vishnisky, who said recently: "I always listen with great attention to the Canadian Delegate, Mr. Pearson, because he often says what other people are afraid to say."

In this connection I would quote once more from the article in Maclean's which points out that although he enjoys excellent relations with the press and the public Mr. Pearson gives away no State secrets. Therefore it is most unlikely that we will learn anything at Luncheon to-day with respect to the Budget coming down in the House this evening unless it is some indication of the necessity for it. It is now my privilege to present the Hon. Lester "Mike" Pearson, Canadian Secretary of State for External Affairs who will address this joint meeting of The Canadian Club of Toronto, and The Empire Club of Canada, on the subject: "Canadian Foreign Policy in a Two-Power World".

MR. PEARSON: I suppose there never has been a time when the conduct of foreign policy has been more complicated and difficult than at present; or one when the consequences of a mistake could be more disastrous; or indeed when even the wrong kind of speech could make more mischief. One reason is obvious. Our scientific achievements have so far out-stripped our social and moral development that we, in Toronto, can learn in a few minutes of what has happened in Peking, or in Timbuctu, but are not always able to assess the knowledge with objectivity and act on it with mature intelligence. Indeed, too much of our intelligence seems to be devoted to the discovery and perfection of the techniques which bring the news to us; and not enough to the problem of what to do about it.

The formulation of foreign policy has special difficulties for a country like Canada, which has enough responsibility and power in the world to prevent its isolation from the consequences of international decisions, but not enough to ensure that its voice will be effective in making those decisions.

Today, furthermore, foreign policy must be made in a world in arms, and in conflict. In this conflict there are two sides whose composition cuts across national and even community boundaries. The issues have by now been pretty clearly drawn, and at the risk of over-simplification can be described as freedom vs. slavery. Moreover, the two powerful leaders of these opposed sides have emerged—the United States of America and the U.S.S.R.

The struggle has not yet become a shooting war, except in Korea, but is still one of policy. It goes on in the field of economics, finance, and public opinion, and extends far beyond any military or even political operation. It is the more terrifying because, if it breaks into fighting, science will be harnessed to its prosecution as never before—with results almost too horrible to contemplate. Our defence in this conflict must be one of increasing and then maintaining our strength, while always keeping open the channels of negotiation and diplomacy. Strength, however, cannot now be interpreted in military terms alone, but has also its economic, financial and moral aspects. While we are building up this kind of force now so that armed force may not be necessary in the future for the protection of our society, the situation which faces us may erupt into an explosion at any time. We have to face that fact as a possibility—though not, of course, an inevitability. It may be a deliberate and controlled explosion brought about by the calculated policy of the hard-faced despots in the Kremlin, men hungry for power and world domination. Or more likely it may be an accidental one. In either case, it will result in World War III, with all its infinitely horrible consequences. It is essential and elementary common sense to make ourselves ready to deal with it. On the other hand, and many think that this is the more probable development, the present situation of war without warfare may continue for years. This will confront us with just about the most difficult political and economic problem that has ever faced a democratic society. It is unprecedented and so we have little to go on as we try to work our way through the jungle of the difficulties and dangers of what the London "Economist" calls "three-quarters peace". Certainly we have to become collectively strong in a military sense to meet the shock of a sudden attack; or, and this is more important, to make such an attack unlikely by convincing anyone who contemplates aggression that he has no hope for victory. At the same time, we have to be careful in this country, and in other countries, not to divert to and organize our resources for military defence in such a way or to such an extent that we sap and weaken our economic and social strength and morale. The potential enemy may have decided, and at the moment *he* has the initiative in this decision, that this war will be one of long drawn-out attrition and hope that we will weaken ourselves for its continuing tests by panic measures and an unbalanced defence. To put it another way, he may decide that this race is not to be a sprint, but a middle, or even a long distance contest. We may have to adapt *our* tactics accordingly. This will require steadiness and control, a sense of pace, a refusal to be thrown off balance, and, at the same time, a determination

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to take the necessary steps to cut down the lead which our opponent now has. The present conflict is, in fact, a dual one, and requires dual policies—short term and long term policies—military and civil—which should be complementary and not contradictory. We are faced now with a situation similar in some respects to that which confronted our fore-fathers in early colonial days when they ploughed the land with a rifle slung on the shoulder. If they stuck to the plough and left the rifle at home, they would have been easy victims for any savages lurking in the woods. If they had concentrated on the rifle and forgot about ploughing, the colony would have scattered or died. The same combination is required today, though it is far more difficult to bring about. We must keep on ploughing, harder than ever, while we arm. We can certainly never achieve that double objective by government as usual, by business as usual or by life as usual.

These are all generalities, and you have heard them many times before. More important are the practical problems they present to us, one or two of which I would like to mention.

In domestic policy, one of our main problems is to decide what proportion of our resources should be devoted to our own defence, whether that defence takes the form of national action at home or collective action with our friends abroad. There should be no distinction—this time—between them. We should accept without any reservation, the view that the Canadian who fires his rifle in Korea or on the Elbe is defending his home as surely as if he were firing it on his own soil. There is not likely, certainly, to be unanimous agreement on this question of how much should go now for defence. Some will say that we are actually and completely at war now; that we should base all our policy on that fact; that our military defence efforts should be the same as if the enemy were actually attacking our country; that our economic policy should be based on the same considerations, with complete control of prices and wages and, above all, of manpower for industry or for the armed services. There are others, and the Government shares this view, who feel that any such all-out interference with the mechanism of our economic and political society, at the present time, would weaken, rather than strengthen us—might, indeed, even play into the enemy's hands by making it harder for us to maintain our unity, our morale and our strength over the long pull ahead.

The same division of opinion naturally exists in regard to our proper part in collective international action. There are those who say that we have not so far pulled our weight here, except possibly our oratorical weight. There are others who complain that we are doing too much, especially as the big decisions which will decide the course of events will not be made primarily by us but by others. It is, of course, comforting for one who has some responsibility in these matters to conclude that if you are attacked from both sides, you have a fairly good chance of being right. But I certainly would not wish to carry that analogy too far. It may mean merely that you are doubly wrong! We all agree, however, that we must play our proper part, no less and no more, in the collective security action of the free world, without which we cannot hope to get through the dangerous days ahead. But how do we decide what that proper part is, having regard to our own political, economic and geographical situation? It is certainly not one which can be determined by fixing a mathematical proportion of what some other country is doing. As long as we live in a world of sovereign states, Canada's part has to be determined by ourselves, but this should be done only after consultation with and, if possible, in agreement with our friends and allies. We must be the judge of our international obligations and we must decide how they can best be carried out for Canada, but we have no right to make these decisions in isolation from our friends. The North Atlantic Treaty Organization is, I think, a good example of what I mean. The Council of this Organization, or its Deputies, is meeting almost continuously, mainly for the purpose of collective defence planning. The recommendations—because they are only recommendations—made through this collective process are then sent to the separate governments for decision, but no government is likely to reject them without very good reason indeed. The military tasks for the separate members under the North Atlantic Treaty Organization have been worked out collectively in detail. Those allotted to Canada, which were considered by all the members of the group to be fair and proper, have been accepted by the Canadian Government and will be carried out once Parliament approves them.

There is another aspect to this problem. What should our role be in the United Nations? Indeed, what should the role of the world organization itself be in the present conflict? I have tried to make my own views known in this matter in recent statements, and I do not wish to go over the ground again here. But I would say this; that we must be sure, so far as we can ever be sure, that the United Nations remains the instrument of the collective policy of all its members for the preservation of peace and the prevention or defeat of aggression, and does not become too much the instrument of any one country. I am not suggesting that this has happened or is going to happen, but it is something that we should guard against. If, however, the United Nations is to be such a genuine international organization in this sense, all of its members, except the Soviet Communist bloc who have no interest in it except as an agency for advancing their own evil purpose, must play a part in deed as well as in word. We must be careful not to be stampeded into rash decisions which cannot be carried out but we must *all* contribute to the implementation of decisions freely and responsibly made. I do not think that we in Canada have any reason to apologize for the part that we have played in this regard. Our record in the United Nations is a worthy one. However, I do not think that we should be asked, in the United Nations or elsewhere, to support automatically policies which are proposed by others if we have serious doubts about their wisdom. We must reserve the right, for instance, to criticize even the policy of our great friend, the United States, if we feel it necessary to do so. There are two reservations to this. First, we must recognize and pay tribute to the leadership being given and the efforts being made by the United States in the conflict against Communist imperialism, and realize that if this leadership were not given we would have little chance of success in the common struggle. Secondly, we must never forget that our enemy gleefully welcomes every division in the free democratic ranks and that, therefore, there will be times when we should abandon our position if it is more important to maintain unity in the face of the common foe. This reconciliation of our right to differ and the necessity for unity, is going to be a tough problem for anyone charged with responsibility for foreign policy decisions in this, or indeed in any free country.

This brings me squarely up against a matter which is very much in my mind, as I know it is in yours, the question of Canadian-American relations in this two-power world of conflict. It is, I think, one of the most difficult and delicate problems of foreign policy that has yet faced the Canadian people, their Parliament and their Government, and it will require those qualities of good sense, restraint, and self-reliance which the Canadian people have shown in the past. It was not so long ago that Canada's foreign relations were of importance only within the Commonwealth, more particularly in our relations with the United Kingdom. These former Canadian-Commonwealth problems seem to me to have been now pretty well solved. At least the right principles have been established and accepted which makes their solution fairly easy. We have in the Commonwealth reached independence without sacrificing co-operation. We stand on our own feet, but we try to walk together. There is none of the touchiness on our part, which once must have complicated relations with Downing Street, and there is now certainly none of the desire to dominate which we used to detect in Whitehall. We have got beyond this in Canada-U.K. relations, and we deal with each other now, on a basis of confidence and friendship, as junior and senior partners in a joint and going concern. In our relations with the United Kingdom we have come of age and have abandoned the sensitiveness of the debutante.

This has been made easier because any worry we once may have had, and we had it, that British imperialism or continentalism might pull us into international wars not of our own making or choosing, has passed. We now accept the Commonwealth of Nations as a valuable and proven instrument for international co-operation; as a great agency for social and economic progress, and possibly, at the present time, most important of all, as a vital and almost the only bridge between the free West and the free East. I think also that in the post-war years we have come to appreciate, as possibly never before, the wisdom, tolerance, and far-sighted steadiness of vision of the British people. As their material power has decreased, at least temporarily, because of the unparallelled sacrifices they have made in two world wars, I think that our need for these other British qualities has increased in the solution of international difficulties. This, in my mind, has never been shown more clearly than in the events of the last six months at the United Nations.

With the United States our relations grow steadily closer as we recognize that our destinies, economic and political, are inseparable in the Western hemisphere, and that Canada's hope for peace depends largely on the acceptance by the United States of responsibility for world leadership and on how that responsibility is discharged. With this closeness of contact and with, I hope, our growing maturity goes a mutual understanding and a fundamental friendliness. This makes it possible for us to talk with a frankness and confidence to the United States, which is not misunderstood there except possibly by a minority who think that we shouldn't talk at all, or who complain that if we do, our accents are too English! But we need not try to deceive ourselves that these close relations with our great neighbour will always be smooth and easy. There will be difficulties and frictions. These, however, will be easier to settle if the United States realizes that while we are most anxious to work with her and support her in the leadership she is giving to the free world, we are not willing to be merely an echo of somebody else's voice. It would be easier also if it were recognized by the United States at this time that we in Canada have had our own experience of tragedy and suffering and loss in war. In our turn, we should be careful not to transfer the suspicions and sensitiveness and hesitations of yesteryear from London to Washington. Nor should we get unduly hot and bothered over all the pronouncements of journalists or generals or politicians which we do not like, though there may be, indeed *are* some on which we have a right to express our views. More important, we must convince the United States by action rather than merely by word that we are, in fact, pulling our weight in this international team. On their side, they should not attempt to tell us that until we do one-twelfth or one-sixteenth, or some other fraction as much as they are doing in any particular enterprise, we are defaulting. It would also help if the United States took more notice of what we *do* do, and, indeed occasionally of what we say. It is disconcerting, for instance, that about the only time the American people seem to be aware of our existence, in contrast say to the existence of a Latin American republic, is when we do something that they do not like, or do not do something which they would like. I can explain what I mean by illustration. The United States would certainly have resented it, and rightly so, if we in Canada had called her a reluctant contributor to reconstruction in 1946 because her loan to the United Kingdom was only three times as large as ours, while her national income was seventeen or eighteen times as large. In our turn, most of us resent being called, by certain people in the United States, a reluctant friend because Canada, a smaller power with special problems of her own, ten years at war out of the last thirty, on the threshold of a great and essential pioneer development, and with half a continent to administer, was not able to match, even proportionately, the steps taken by the United States last June and subsequently, which were required by United Nations decisions about Korea.

The leadership then given by the United States rightly won our admiration, and the steps that she has taken to implement them since, deserve our deep gratitude. The rest of the world naturally, however, took some time to adjust itself to a somewhat unexpected state of affairs. Canada, in my view at least, in not making the adjustment more quickly, should surely not be criticized more than, say Argentina or Egypt, or Sweden.

There may be other ripples on the surface of our friendship in the days ahead, but we should do everything we can in Canada, and this applies especially to the Government, and in the Government particularly to the Department of External Affairs, to prevent these ripples becoming angry waves which may weaken the foundation of our friendship. I do not think that this will happen. It will certainly be less likely to happen, however, if we face the problems frankly and openly of our mutual relationship. That relationship, as I see it, means marching with the United States in the pursuit of the objectives which we share. It does *not* mean being pulled along, or loitering behind.

Nevertheless, the days of relatively easy and automatic political relations with our neighbour are, I think, over. They are over because, on our side, we are more important in the continental and international scheme of things, and we loom more largely now as an important element in United States and in free world plans for defence and development. They are over also because the United States is now the dominating world power on the side of freedom. Our preoccupation is no longer whether the United States will discharge her international responsibilities, but how she will do it and how the rest of us will be involved. You may recall that it was not many years ago that Colonel Lindbergh suggested that Canada should be detached from membership in the British Commonwealth of Nations because that international affiliation of ours might get the United States into trouble by involving the larger half of North America in European wars. That seems a long time ago. There are certain people in Canada (I am not one of them) who think that the shoe, if not already on the other foot, is now being transferred to the other foot.

From what I have said, and I have only touched on the subject, you will appreciate that the days have gone when the problems of Canadian foreign policy can be left to a part-time Minister; to a small group of officials; to a couple of hours' desultory and empty debate each session, in Parliament, and to the casual attention of public opinion when it can turn from more important matters such as the Stanley Cup or the stock market.

Foreign affairs are now the business of every Canadian family and the responsibility of every Canadian citizen. That includes you and also the Minister for External Affairs. I hope that we will together be able to bring to these problems, so complicated and so exacting, the good judgment, the calm objectivity and the sense of responsibility which they require.

VOTE OF THANKS, moved by Mr. R. F. Chisholm, President of The Canadian Club of Toronto.

"FREEDOM AND ENERGY GO TOGETHER"

An Address By

EUGENE HOLMAN
President, Standard Oil Company of New Jersey

Thursday, April 19th, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

MR. HERMANT: Members and Guests of The Empire Club of Canada: This is Patriot's Day in the United States, marking the first armed clash of the American Revolution on Lexington Green, which took place on April 19th, 1775. It is significant that to-day The Empire Club of Canada welcomes the head of a great American Company which has made an outstanding contribution to Canada and the Empire—Mr. Eugene Holman, the President of Standard Oil Co. of New Jersey, the world's largest Oil Company with affiliates producing oil in sixteen countries, refining it in twenty-one, and marketing it in over one hundred. These operations account for approximately one-sixth of the world's petroleum business. Over one-third of Standard's activities outside of the United States are in the British Empire through the Anglo-American Oil Co. organized in the United Kingdom in 1888, and Standard Vacuum Oil Co. operating in South and East Africa, New Zealand, India, and Australia. There is also a Standard affiliate in Malta which this year celebrated its Golden Anniversary. In Canada, Imperial Oil Limited is a name well and favourably known to everyone. One chilly February day in 1947 an Imperial Oil Leduc discovery well hit pay dirt in Alberta's Devonian limestone and

Canada achieved a new importance in this vital industry. Since then Imperial Oil alone has invested more than One Hundred Million Dollars in search for new fields. We pay tribute to-day not only to Standard, and Imperial, but to the entire oil industry which is essential to the welfare of Canada, the Empire, and the free world. It is reliably estimated that in the one and a half hours we are spending at this Empire Club luncheon to-day, 146 drilling rigs are active in Western Canada and will drill 2500 feet. During this luncheon period $38,000 will be spent searching for and developing new Canadian fields. In this same time 2200 wells in Alberta will have produced approximately 4,500 barrels, or 157,000 gallons of crude oil. Canadians during this hour and a half will use more than 750,000 gallons of oil products. The 33 Canadian refineries operated by 17 Oil Companies will manufacture about 700,000 gallons of oil products. Each of the 1,800,000 barrels of oil in the Interprovincial pipeline will travel three miles, and Imperial alone will make committments for materials, supplies, and services, not including its own labour costs, in excess of one-quarter of a million dollars while we attend this luncheon. There could be no greater measure of confidence in Canada.

It is a great privilege to have Mr. Holman as our Speaker to-day. Mr. Holman graduated in geology from Hardin-Simmons University. He joined the United States Geographical Survey and then enlisted in the American Army to serve as an aerial photographer in World War I. Following the war he joined the Humble Oil and Refining Co., then associated with Standard. His first assignment was in the booming north-central Texas oil fields where he soon became a Superintendent. He then became Superintendent of the Louisiana-Arkansas Division, and later became chief geologist of the Company with headquarters in Houston, Texas. In 1929, Mr. Holman transferred to New York City to become Assistant to the Vice-President of Standard who was in charge of crude oil production. Subsequently Mr. Holman became President and Director of Creole Petroleum Corp. and Lago Petroleum Corp., both Venezuelan affiliates of Standard. Named a Director of the Co. in June, 1940, he was elected Vice-President in 1942, and President in 1944. In January, 1946, he became Chairman of the Executive Committee. Mr. Holman is a member of the American Association of Petroleum Geologists, and the American Petroleum Institute, and has contributed many technical papers and articles on the industry. A forthright campaigner for world cooperation, industrial peace, and a minimum of Government control of private business, Mr. Holman is recognized by business and labour alike as a progressive International-minded and exceptionally capable Executive, one who has reached the top strictly on his merit. In this connection I would refer to an editorial in this morning's issue of The Financial Post referring to Standard Oil entitled "Good Manners—Good Business". I now present Mr. Eugene Holman, the President of Standard Oil Company, (New Jersey) who will speak on the Subject: "Freedom and Energy Go Together".

MR. HOLMAN: My trip to Toronto to be with you today has reminded me of the farmer visiting New York who was approached during one of those "man-on-the-street" radio broadcasts. They asked him what part of America he called home.

"The top part," he replied. "America's all Grade A, but the cream lies in Canada."

If that farmer had been an oil man, he no doubt would have expressed his regional pride somewhat differently. In our business—at the refineries—various products derived from crude oil are drawn off at different levels of a distillation tower. And there, too, the best—or at least the products which fetch the best prices—come from the top.

The use of a petroleum metaphor in connection with your country is appropriate to the times. For here in Canada, oil developments have recently taken on new interest and significance. The attention of the world has turned toward your western prairies, daily becoming a more and more important producer of liquid fuels. Timely evidence of this great development will be the arrival—

I understand within a few days—of Albertan oil at Sarnia. This is an event made possible by the recent completion of the pipeline stretching more than a thousand miles from Redwater to Lake Superior.

I sometimes feel, when I talk about oil, that I may be putting myself in the position of a man who makes his friends listen to long stories about his own children. I am willing to run that risk today, however. I believe that you Canadians are interested in oil—with good reason—and that because of this interest some description of the present world petroleum picture as I see it may help you get a better perspective on part of your own country's future.

Someone has aptly said that the per capita consumption of fuel is an index of a nation's standard of living. You in Canada use fuel energy at an annual rate of 207 million British thermal units per person. Use of fuel energy in the United States puts us in the same league. Our use is at a rate of 229 million British thermal units annually. These are the highest national per capita rates of fuel energy consumption in the world.

The western European nations use about 32% as much fuel energy per capita as does Canada; Russia about 22%—as far as we know; and Asia 3%.

I'm talking now about total energy use, of course—including that coming from coal, oil, natural gas, and hydro-electric power.

In the past century, people's energy needs were largely met by coal. Then, in the twentieth century, with the invention or development of the automobile and airplane, the diesel engine, and automatic home heating, use of oil began to rise sharply. In the entire fifty years of this century, there have been only four years in which the use of oil did not exceed the amount used in the previous year. The world uses about 460 million gallons of oil every day, and consumption is still rising. Four hundred and sixty million gallons is quite a lot of oil. The oil used world-wide in just one day would heat an average home in a climate like Ontario's for more than 200,000 years. A tank the size of the Empire State Building in

New York would be required to hold this amount of petroleum.

Recognizing how important oil is to modern life, let us take a quick glance at the world supply of this commodity.

Oil stored above ground in tanks seldom exceeds a few months' consumption. This means that at any one time most of our petroleum supplies are still underground, stored in the natural formations where it was discovered. We in the industry call this oil "proved reserves." We can calculate with reasonable accuracy how much oil exists in these underground reservoirs. Different persons come up with different estimates of proved reserves, ranging from 80 billion to something over a hundred billion barrels as of this moment.

The United States and Canada have about 30 billion barrels of those proved reserves. Other Western Hemisphere countries have about 12 billion more. The Eastern Hemisphere, with from 40 to more than 60 billion barrels, is richer in proved reserves than the Western. Of the total amount, however, 80% is presently being developed by United States or British Commonwealth oil companies.

Now let's consider briefly the consumption side of the world oil picture.

Current world use of oil amounts to nearly 4 billion barrels per year. There is no relation between the places where oil is found and where it is used, however. Oil is found where nature put it. It is consumed where populations have concentrated and industry flourishes. Only in a few cases do the two coincide geographically. But the far-flung, efficient system that has been built up to transport oil permits producing and consuming areas to be brought together with relative ease and economy. If such barriers as international politics, currency restrictions, and similar impediments didn't exist, there would be no problems, relatively speaking, in supplying all parts of the world with all the oil they need for as far as we can see into the future.

The geographical non-coincidence of producing and consuming areas makes it clear why the oil business tends to be a global one. I'm sure Canadians must be particularly conscious of this, because for so many years your oil supplies were brought in almost entirely from abroad.

For example, 95% of Canada's petroleum requirements were being imported just four years ago. Only 5% was produced within Canada itself. In 1950, however, although you were using 35% more oil than in 1947, about 20% was produced within this country.

Development of the large oil resources of the Middle East is now bringing about a very considerable shift in the pattern of world oil commerce. South American sources no longer must supply as much oil to Western Europe as formerly. Much of this oil, and much from North America that formerly crossed the Atlantic, is now available for use in the Western Hemisphere.

A good deal of the credit for having oil ready in sufficient quantities to meet today's requirements must be given to those nationalities—British, Dutch, Canadian, and American—that have worked and competed to find the oil, get it out of the ground, refine it, and deliver it to customers. The industry has always been one marked by dynamic expansion—and that process of expansion is still going on.

In anticipation of a continuing upward trend of consumption, oil companies are energetically engaged today in large-scale construction programmes. A new thousand-mile pipeline has recently been completed from Saudi Arabia to Sidon, Lebanon, on the shores of the Mediterranean. Another 500-miles is under construction from the Kirkuk field in Iraq to the Syrian coastline. Additional pipelines now planned, or under construction, include a 10-inch one in France, several long 20- to 24-inchers in the United States, and lines in your own backyard that will bring products to Toronto.

Facilities to transport crude oil and products by sea are also being increased. Last year alone, 128 ocean tankers were delivered. At the present time, 380 ocean tankers are reported to be under construction or on order.

By the end of 1953, new foreign construction programmes will have added more than a millian barrels per day to the world's present refining capacity. Right now in such varied places as Bordeaux, France; Leghorn and Milan, Italy; Cartagena, Spain; Antwerp; Rotterdam; and Melbourne, Australia new equipment is either going into place or is already in operation turning out petroleum products. One of the results of my own company's part in this expansion will be that the location of the Commonwealth's biggest refinery will shift from Sarnia to Fawley, near Southhampton, England. I'm sure, however, that Sarnia will not lose its title without putting up a fight and that the distinction of having the largest oil refinery in the Commonwealth may be regained by Canada sometime in the future.

In building up productive and transportation facilities, the industry has not forgotten its traditional goal of service to the customer. Therefore, a proportionate growth is taking place in oil marketing facilities, too. New and enlarged bulk stations and service stations are being built in many places throughout the world. New and bigger tank trucks and other distribution equipment are being put into service for the oil consumer.

All these new facilities will naturally increase the amounts of liquid energy available for consumption—but no more so than demand for them is expected to grow. The constant rise in consumption might cause some alarm if you were to take the figure of 80 billion barrels of proved reserves and divide it by the consumption figure of 4 billion barrels annually. A snap conclusion would indicate that the world was going to run out of oil about twenty years from now—or sooner, as consumption rises. Such a calculation, however, would be erroneous because it doesn't allow for the fact that every year new oil is discovered.

For the last half-century, with one or two exceptions, more oil has been added to world supplies each year than was consumed. So despite constantly increasing withdrawals of oil from the earth, proved reserves of underground oil, world-wide, have increased and are now at an all-time high.

In the oil industry, we are as sure as humans can be that many more billions of barrels of oil will be discovered. Geological knowledge, outlining the conditions which existed ages ago when oil deposits were formed, helps us to predict places where oil deposits may be present. With proper exploration and testing, it is reasonable to expect that in many of these areas new oil reserves will be found. But the job of finding and developing these potential reserves lies in a never-ending search.

It took more than twenty years and many millions of dollars, for example, to reveal the location of the great oil fields in the Edmonton area of Alberta. All that time and money were spent because men thought that oil was there and were willing to back up their conviction. Wallace Pratt, a great geologist and a good friend of mine, has expressed it well. He says that oil exists first in men's minds. In one of his books, he states: "Whatever the geological conditions may be and whatever technique we employ, we find oil in the earth very rarely unless we have first acquired an appropriate mental attitude. The very state of mind of the social order as well as of the individual is involved in successful oil finding."

But even if oil does exist in the mind, it will never be found unless men are free to go out and look—free to follow their own hunches, and disregard experience if it doesn't happen to fit the terrain. The most important element in the search for oil has always been the element of freedom. Men have looked for oil when there were no restrictions on them.

In this business it seems to follow that lots of liberty results in lots of oil—the source of half our modern energy. Experience in totalitarian countries (and I think of no better example than Soviet Russia) confirms this finding. There, in some of the most promising oil territory in the world, in spite of a driving urgency to develop the potential, and adjusting for all physical differences, production does not nearly approach our own. No one is free to look for oil in Soviet Russia. The state runs the industry on a cut-and-dried basis. And without competition, production lags.

Freedom not only promotes the development of energy in the form of oil; it also promotes the development of other sources of energy such as coal and gas, making for greater availability of these other servants of man. For fuels, like other products in a free, competitive economy, are developed in the proportion in which they give human satisfaction. Competition, responding to demand, brings forth greater amounts of fuel and thus more energy becomes available to society as a whole. The use of this energy, in turn, builds up the industrial plant, thus requiring the use of still more energy sources.

My country and yours have always left the final decision on what fuels are to be used to produce energy up to the choice of the consumer. That is the only way real competition works. If we were to replace this system of free selection which has served us so well with one that leaves such decisions to a single authority, I think we'd soon find that the contribution of all fuels to our energy requirements would be seriously weakened.

Coming even closer to home in this matter of freedom, I might underscore our confidence in its effectiveness by explaining that Jersey Standard believes firmly in arranging its affairs in such a way as to encourage initiative and resourcefulness. The role of the parent company is to coordinate and pass along experience gained by one member that might be of value to another. Our family policy of decentralization seeks first to insure freedom for each member to direct its energies to the conduct of its own affairs. We think this system produces mutual strength without making for rigidity or permitting complacency.

So long as men keep the freedom to inquire and explore, I'm completely confident that there will be enough liquid fuel for the world. I might observe right here that we oil men are simply peddlers of liquid energy. We'll get the liquid fuels to supply our customers—if not from one source, then from another. If demands should mount to a level where they could not be satisfied from petroleum, the manufacture of liquid fuels from coal, tar sands, and other sources would undoubtedly be expanded. Due to the ample volumes of petroleum now available in my own country, I see no reason to begin production of synthetic fuel on a commercial scale in the United States at present. If the time does come for such production, Canada—with such enormous reserves as the Athabasca Tar Sands—should continue to hold its position as a substantial producer of liquid fuel.

Even if the problem of synthetic supply never arises, other problems will. All international commerce has its problems, oil being no exception. I feel, however, that such difficulties prove to be less formidable when they are attacked with goodwill on both sides and with the benefit of long experience in international trade.

Experience in our company has resulted in the conviction that operations in international trade should be conducted in a spirit of cooperation and mutual confidence between the parties of different nationalities. In return for its investment of capital, technical knowledge and management skill, a company undertaking oil developments on the other side of the world wants security of title to property, observance of contracts, managerial control of operations, and the right to fair profit. On the other hand, those granting concessions are entitled to fair participation in resulting benefits. These include the payment of reasonable royalties and taxes, the avoidance of waste, and the fulfillment of domestic oil requirements before any is exported. Included, too, are training and employment at fair wages for the nationals of countries where oil is being developed.

The absence of such conditions creates road blocks to international trade—to the detriment of people everywhere. We in my company seek to work consistently for relationships based on mutual respect and amity, believing that international trade conducted in this way will serve the countries and companies concerned and other peoples in many lands.

We think these are sound principles and cannot help but encourage an honest desire on both sides to resolve international problems concerned with oil.

In the persuasive atmosphere of the will to agree, the work of removing misunderstandings has already gone forward. A good example is the dollar-sterling situation of the past few years. There was a knotty problem! Yet goodwill and patient work is bringing about a removal of the difficulty.

Many intricate details had to be worked out before that settlement was reached. They cover years in time and the most complex questions of economics and national feelings. The dollar-sterling problem had all the thorny characteristics of others facing British Commonwealth and United States oil men today, and which we both may well face in the future. The willingness to understand, which worked so well in the one case, proves to me that agreement is possible without loss of principle or advantage on either side. In such a spirit, other difficulties standing in the way of increased oil production may be resolved.

The real meaning of the world oil situation lies in the realm of spirit rather than in the most imposing thicket of figures. In the production of energy, the statistical amount of fuels under the earth of a country is demonstrably less important than the amount of freedom among its people. Our two countries have buried within them approximately a quarter of the world's proved oil reserves. Yet between us we produce and consume more than half of all the liquid fuel serving mankind. And every year we keep on finding more oil than we use.

Canada's secret, like that of the United States, is very simple. We both consider human attitudes and abilities to be more vital than natural resources. What is buried underground means nothing unless we have the skills, the capital, and the drive to explore, discover and put the hidden fuel to work. People who have both the freedom and the energy to do that are, I believe, strong to defend themselves and prosper.

VOTE OF THANKS, moved by Mr. J. Allan Ross.

ANNUAL MEETING

Thursday, April 26th, 1951

CHAIRMAN: The President, Mr. Sydney Hermant.

PRESIDENT'S REPORT: Members of The Empire Club of Canada: This is the annual meeting of the Club for the year 1950-51. The Constitution provides that the President shall submit a report of the year's proceedings to the annual meeting including an interim financial report. The audited financial statement of the Club for the year is published in the Year Book.

Proper notice having been given a special meeting of the Club on June 22nd, 1950, unanimously approved a resolution to increase the fees from Four to Five Dollars for active resident and associate members, and from Three to Four Dollars for non-resident members. Similarly, at a special meeting on February 15th, 1951, the Life Membership fee was raised from Fifty to Seventy-Five Dollars. These resolutions were prepared and moved by Mr. James P. Pratt, K.C., Past-President of the Club and Chairman of the Constitution Committee.

At the beginning of the year Mr. G. A. Lascelles, Chairman of the Finance Committee of the Executive, prepared a report budgeting for a surplus, based on the increased fees, of $175.00 for the year's operations. The surplus as now estimated will be $570.00. On May 1st, 1950 we had 3 honorary members, 17 Life members, 1268 resident members, and 59 non-resident members. We have suffered the irreparable loss of 33 members in all categories through death. Mr. John William Perry, the Chairman of the Membership Committee, has advised me that as of to-day the overall membership is 1502 members, being an increase of 155, and I would take this first opportunity of expressing appreciation to Mr. Perry and the Deputy

Chairman, Mr. Arthur E. M. Inwood, and all the members of the Committee.

During this current season we have held thirty regular meetings, and one special meeting. Seven of these were joint meetings with the Canadian Club of Toronto, four of them conducted by this Club. The average official attendance at our own regular meetings shows an increase of 63%. Including the joint meetings the increase in attendance is 104%.

Because of the large and sometimes overwhelming attendance at some of the meetings members with tickets purchased in advance were unable to have luncheon prior to the meeting. For example, when Lord and Lady Tweedsmuir jointly addressed the Club on January 18th, 1951, it is estimated that more than 200 persons entered the room following luncheon to hear the addresses, and another hundred remained in the corridors. It was then decided to inaugurate a system whereby places would be reserved for luncheon until 12:30 p.m. for anyone purchasing a ticket in advance. To the best of our knowledge this system has worked satisfactorily.

It should be noted that for the first time in the forty-seven year history of this Club three ladies have addressed the Club during a single season, and on these occasions ladies have been invited to attend the meetings.

The season has produced its share of difficulties and frustrations, as well as many compensating satisfactions. Mr. Henry Ford II was forced to postpone his visit to the Club owing to circumstances beyond his control, but I am pleased to say that we have since been assured that it is Mr. Ford's firm intention to visit the Club at the earliest opportunity. Sir Gladwyn Jebb accepted the invitation of the Canadian Club to address a joint meeting. At the last minute he advised that the British Foreign Office had requested him "not to go as far afield as Toronto". Despite every effort to explain that Canada was not far afield, traditionally or geographically, from the United Kingdom Delegation headquarters at the U.N. in New York City, it was necessary to cancel this meeting. While unable to accept our invitation in the late Fall, Lord Beaverbrook has agreed to address the Club during his forthcoming visit to Canada. Likewise, the Hon. George Drew will speak next season. We also have tentative committments from other leaders in business and Government. Because of a change in itinerary it was not possible for Mr. Martyn Green of the D'Oyly Carte Operatic Co. to deliver a full length address before the Club. He did, however, attend as a special guest with other members of the Company and said a few words following the address by the Hon. Brooke Claxton. Similarly, Col. W. G. Haughton, President of the Belfast Chamber of Commerce, was present at the meeting addressed by the Hon. Gordon Bradley; and Squadron Leader Douglas Bader, the famous R.A.F. pilot who commanded the No. 242 Canadian Squadron in the Battle of Britain, spoke briefly following the address by Thomas B. Costain. The notices for the Christmas meeting were unaccountably delayed in the Christmas mails and although advertisements were placed in the newspapers some members did not have notice of this meeting. General Brock Chisholm, originally scheduled to address our meeting on October 19th, 1950, was delayed because of a tragic train wreck. Happily General Chisholm was unhurt but unable to reach Toronto in time for the meeting. We were most fortunate in having Dr. W. E. Blatz, Director of the Institute of Child Study, as a head table guest on that occasion and, literally without notice, Dr. Blatz delivered a most interesting and amusing address which will be fully recorded in our Year Book. General Chisholm did address a later meeting on April 5th, 1951.

I would take this opportunity of expressing appreciation to the Members of the Club who suggested the names of Speakers and special guests. We are greatly indebted to Major J. S. P. Armstrong, Agent-General in the United Kingdom for the Province of Ontario, for advising us of proposed visits to Canada by distinguished citizens from the Old Country. During this past season several Cabinet Ministers and other leaders from England have paid official visits to Ottawa and Washington but have been unable or unwilling to come to Toronto and make a public address. Sir Alexander Clutterbuck explained in his talk before this Club that this was due in part to the very delicate political balance at Westminster making it essential that members of the Government be prepared to return at a moments notice. We have respectfully suggested to both the Department of External Affairs in Canada, and the Foreign Office in Great Britain, and in other influential places, that in our opinion it is of the utmost importance, particularly at this time, that leaders in all walks of life from the Old Country make every possible effort to visit Toronto, which is an important focal point of influence, and speak through this community to Canada. I do hope that this matter is pursued. We have received a most generous measure of co-operation from leaders in Canada and the United States as our year's programme well illustrates.

During this season two matters of fundamental importance have been considered by the Executive Committee. The first has been the suggestion that our name be changed to Commonwealth Club. Having considered the matter the Executive decided to continue with our original name since whether the Club be called Commonwealth or Empire it stands for the same principles and traditions, and our original name is preferred. Also during this season a number of members suggested that consideration be given to amalgamation with the Canadian Club of Toronto. This matter is presently being considered by a Committee of both Clubs. In this connection I would state, both personally and on behalf of the Executive Committee, that we believe with all the power of our conviction that there must be a strong, virile Club in this community devoted to the basic political philosophy embodied in our Motto "Canada and a United Empire", and if any change is to take place we would hope that these principles will be adhered to and this motto remain unchanged.

May I take this opportunity of expressing special appreciation to Mr. R. W. McGall, the programme director of the Canadian Broadcasting Corp., and Mr. Reid W. Forsee, the programme producer, who have been most co-operative in looking after the details with respect to the broadcasts of a number of our meetings over Station C.J.B.C. From the immediate and enthusiastic response from listeners in a wide area we know that these broadcasts make a valued contribution to the greater community that we serve. For some reason, however, the C.B.C. have been unwilling to broadcast all of our meetings and in many instances have been unable to give us very much advance notice of the meetings that they do broadcast. The overall policy in matters of this kind seems to come from some high and mysterious level, and it is to be hoped that it may be reviewed before next season.

It is always difficult and sometimes unfair to mention specific names in recording special thanks and appreciation. I would, however, take this risk and express appreciation to my immediate predecessor, Mr. H. G. Colebrook, and to all the members of the Executive Committee, for their hard work and devotion to the welfare of the Club. Mr. Horace Harpham has, as always, rendered invaluable service as Chairman of our Head Table Committee. Similarly, Mr. Ford Ralph, the Chairman of our Reception Committee and his associate Chairman, Dr. Clarence Crummey, have done outstanding work. We are indebted to Mr. H. T. Jamieson, our honorary Auditor, and to our honorary Treasurer, Mr. Walter W. Comber, C.A. Mr. John William Griffin will again supervise the publication of our Year Book which is one of our most important undertakings. I must express special appreciation to Mr. Ernest Miles, our Secretary, whose never failing interest and devotion to this Club is an important factor in its welfare. Our meetings are enriched by the presence of our former Secretary, Mr. Harry Bourlier, who plays The King on the piano at each meeting. To Mr. J. Johnson, the Manager of the Royal York Hotel, and Mr. Edward Hadley, head waiter in charge of these luncheons, may I express our particular thanks. Despite Mr. Miles' uncanny accuracy in predicting the numbers who will attend each meeting, emergencies do arise and they are always dealt with promptly, efficiently and cheerfully. I say this despite the nominal increase in the price of the luncheons which went into effect just ten days ago. I must say a word of thanks also to the Canadian Pacific and the Canadian National Railways for making the facilities of their ticket offices available to us. This is some compensation for the fact that we have been unable to induce the President of the Canadian Pacific to visit the Club. However, Mr. Donald Gordon, the President of the Canadian National Railway, did deliver an outstanding address during this season. And lastly, gentlemen, I feel it only fair that I trespass on your indulgence and express publicly my appreciation to my Father who has made it possible for me to accept this great honor. To have been President of The Empire Club of Canada is an honor that I could never hope to merit fully, and which certainly I will never equal in my lifetime. I thank you most sincerely for the generous measure of encouragement, the never failing courtesy and tolerance, shown to me by the members of this great Club.

Mr. R. A. Stapells, who was President of the Club in 1919-1920, and who has been a continuing source of strength, is the Chairman of the Nominating Committee, and will now present its report.

MR. STAPELLS: First of all, gentlemen, it is my happy privilege and pleasure to remind you that The Empire Club has enjoyed one of the most successful years in its long history. I think you will all agree that the brilliant leadership of our President, Mr. Sydney Hermant, is responsible for that success. Therefore, on your behalf, as well as my own, may I say most sincerely, thank you Mr. President.

And now, as Chairman of the Nominating Committee and before presenting to you the result of our labours, may I say that we ran into almost insurmountable disappointments in the matter of nominating a President for the coming year.

Our 1st Vice-president, Mr. Warren Hastings, owing to the fact that he has recently been appointed General Manager of the Ontario Motor League and Executive Vice-president of the Canadian Automobile Association, found that he was unable to accept the Presidency this year. We wish him the large measure of success which we feel sure he will enjoy in his new job.

And then, our 2nd Vice-president, Ford Ralph, having quite recently been placed in a very important new position with his company, also asked to be excused this time.

Finally, our 3rd Vice-president, Mr. Colin Campbell, was also obliged to tell us that he would be out of the city a great deal during the next several months, and very reluctantly but of necessity, we were obliged to excuse him also.

In these circumstances, the President decided to call a special meeting of our past presidents and Executive to confer with the Nominating Committee. This group met in an atmosphere of tension and concern for the welfare of the club. The group was unanimous in its choice of a man for the position of President and was fortunately able to persuade Mr. David H. Gibson, C.B.E., to undertake this high office as a public service to Canada. David Gibson, among the many other offices of great service to Canada and our Empire which he has held over the years, has been President of the Toronto Board of Trade and is now President of The Navy League of Canada.

The other nominations are as follows:

1st Vice-President: Brig. Colin Campbell, D.S.O., O.B.E.
2nd Vice-President: H. R. Jackman
3rd Vice-President: John William Griffin
Secretary: Ernest Miles
Honorary Treasurer: W. W. Comber, C.A.
Honorary Auditor: H. T. Jamieson, F.C.A.

Members of the Executive Committee:
- Col. F. F. Arnoldi, D.S.O.
- H. C. Bourlier
- R. N. Bryson
- Dr. Clarence Crummey

S. S. Fletcher
Horace Harpham
Warren B. Hastings
Lieut.-Col. N. D. Hogg, M.B.E.
Arthur E. M. Inwood
James H. Joyce
Norman A. Keys, K.C.
G. A. Lascelles
Donald F. McDonald
David G. C. Menzel
Harold Menzies
John William Perry
R. Ford Ralph
Dr. E. J. Trow

Immediate Past President:	Sydney Hermant
Past Presidents:	Thos. H. Howse J. P. Pratt, K.C. H. G. Colebrook

I move the nomination of these men as officers and members of the Executive Committee of The Empire Club of Canada for the Year 1951-1952.

MOTION SECONDED by Past President Tracey Lloyd.

There being no further nominations the Chairman, President Sydney Hermant, declared the members nominated as elected by acclamation.

"LINKS BETWEEN CANADA AND INDIA"

An Address By

SIR BENEGAL NARSING RAU, D.C.L.
India's Permanent Representative to the United Nations

MR. HERMANT: Members and Guests of The Empire Club of Canada: It is our privilege to hear on address to-day by India's permanent representative with the United Nations at Lake Success, His Excellency Sir Benegal Narsing Rau. Born in the District of South Kanara, Sir Benegal was educated at Madras and Trinity College, Cambridge. He entered the Indian Civil Service in 1910. From 1925 to 1933 he was Secretary to the Assam Legislative Council. In 1934 he became legal adviser to the Government of India. He was Reforms Commissioner in 1938, and Judge of the Calcutta High Court from 1939 to 1944. In 1944 His Excellency was Prime Minister of Jammu and Kashmir, and in 1946 became Constitutional Adviser to the Constituent Assembly of India. He was also Adviser to the Constituent Assembly of Burma in the framing of its Constitution in 1947. He was a Delegate to the Paris Session of the United Nations General Assembly in 1948. Elected by the General Assembly to the International Law Commission he became Vice-President of the Commission in 1949. He was also elected Chairman of the Atomic Energy Sub-Committee of the United Nations. Since January, 1950, Sir Benegal has been representative on the Security Council, the Atomic Energy Commission, the Commission for Conventional Armaments, and the Interim Committee. With the Hon. Lester Pearson, Canadian Minister of External Affairs, he took the leading part in the effort to negotiate a cease fire in Korea. His Excellency Sir Benegal Rau's career has been one of service to his Country, to the Empire, and the Cause of Free Men everywhere. He will now speak to us on the subject "Links Between Canada and India".

I would congratulate Mr. Stapells and the members of the Nominating Committee. I am sure, gentlemen, that I voice the opinion of all present when I say that we are grateful to have as President for next year one of Canada's and the Empire's outstanding public spirited citizens. We appreciate too that our Vice-Presidents, Brigadier Colin Campbell, Mr. Harry Jackman, and Mr. John William Griffin, have undertaken to carry on in the early part of the Season. I am going to ask Mr. Gibson to say a few words to the Club at the conclusion of Sir Benegal Rau's address.

SIR BENEGAL RAU: Mr. Chairman and Gentlemen: I am glad to be amongst you this afternoon, and to be able to talk on so non-controversial—I may even say self-evident a topic as "The Links between Canada and India."

My work in India, towards the end, was mainly in the sphere of constitution-making, and naturally, therefore, the first link that comes to my mind is in that sphere. India and Canada are both democracies essentially of the same type—there are different types even amongst democracies but India and Canada belong to the same type—the type where the Executive and the Legislature cannot long be in conflict. In fact, it is the British Parliamentary type, as distinct from the Presidential type. It is true that India has now a President, as the Head of the State; but the system of government is the British Parliamentary system in which the Head of the State acts upon the advice of Ministers responsible to the Legislature. You may be interested to hear that this particular system of government, under which the Head of the State acts upon the advice of Ministers responsible to the people, is not particularly modern; it was known to India as early as the 4th century B.C. I am quoting now from a work called Kautilya's Arthasastra, which has a reputation in India rather like that of Machiavelli's "Prince" in Europe. The date of this work is the 4th century B.C., and it enunciates the rule "that when there is an extraordinary matter, the Ministers and the Council of Ministers should be called together and informed. There whatever the majority decides to be done should be done (by the King)". It is interesting to note that the Arthasastra suggested even the creation of an inner body of Ministers for constant consultation—the germ of the system of Cabinet Ministers and ordinary Ministers of State outside the Cabinet.

Then there is another work that is placed by Indian scholars in the 12th century A.D., the Sukraniti, which embodies the doctrines and traditions of a far more ancient time and which contains the injunction, "A wise King must always follow the opinion of the members of the Council of Ministers. He must never stand on his own opinions. When the Sovereign becomes independent, he plans for ruin; in time he loses the State and loses his subjects."

It is therefore clear that the King in ancient India was not only expected to have Ministers, but also to act upon their advice.

Were the Ministers in ancient India responsible to the people? A verse in the Mahabharata (which in its present form existed in the 2nd century B.C.) directs that "the King must invest only that Minister with jurisdiction who has lawfully earned the confidence of the people of town and country", a strikingly modern conception. More significant, however, than this general injunction is an incident in Asoka's reign (3rd century B.C.) recorded in the Divyavadana, an important Buddhist work. The city of Taxila in the north became "hostile" and Asoka sent his son Kunala to pacify the people. The citizens, in welcoming the Prince, said: "We are not hostile to Your Highness nor are we hostile to King Asoka, but to the wicked Ministers who come and insult us." It appears from Asoka's inscriptions that the Emperor subsequently made an order that the Ministers at Taxila were to go out of office every three years in order to prevent excitement or trouble among the citizens. Thus the idea that the King must change his Ministers from time to time so as to make them acceptable to the people was not only familiar in theory but was occasionally acted upon in practice. It would be idle to pretend that the parliamentary system in all its modern detail was practised in ancient India, but we may say that the essential conception was familiar.

Another link between our two countries is that we both believe in the Rule of Law. This conception also was familiar in ancient India. Never was the King placed above the law; again and again is the law declared to be above the King and as the King of Kings. The Coronation Oath administered to the King ended with the promise "Whatever the law here is, that will I do unhesitatingly: I will never be autocratic."

Not only in these two broad conceptions, but also in the details of our Constitutional structure, we have much in common. I had occasion to go into this matter in some detail in Ottawa recently and shall not repeat here what I said then; but I may state broadly that the Indian Federation, in its essential features, resembles the Canadian more than any other Federation, whether within or without the Commonwealth.

This brings me to our most important link, and to the question which was often asked about two years ago by people in the U.S.A.: "How is it that, after struggling for so many years to gain complete independence, India has voluntarily decided to remain within the Commonwealth? Why has India changed her mind? The truth of the matter is that it is not only India that has changed, but the Commonwealth also has changed—at least in Indian eyes. Before 1947, the Commonwealth was, in Indian minds, synonymous with British rule; but after the passing of the Indian Independence Act in that year and the transfer of power to Indian hands that followed it, Indians felt that the era of domination was over and that the Commonwealth was now a really free association of nations, "in no way subordinate one to another in any aspect of their domestic or external affairs." Even the old names and labels are gradually changing: there is a growing tendency to refer to the Commonwealth as the

Commonwealth of Nations instead of the *British Commonwealth of Nations,* so that those who are not British do not feel that they are excluded. Equally significant is the provision in the British Nationality Act which came into force on January 1st, 1949, and according to which "British subjects", a name which suggests some kind of subjection to Britain, may in future be described as "Commonwealth citizens".

All these indications, trivial though they may seem, are symptomatic—at least in Indian minds—of a profound change in the conception of the Commonwealth, and that is why I said a moment ago that the Commonwealth too had changed. But it is a curious fact that an institution often becomes stronger in moral authority, the less legal power it has: the British monarchy has often been cited as an instance of this truth, and the Commonwealth may well prove to be another. In fact, the Commonwealth may prove the most effective stabilizing factor in a world which is becoming intensely polarized.

One of the things which the new Indian constitution has borrowed from Canada—and has amplified in the process—is the machinery for the supervision of elections. All the elections in India, whether for the National Parliament or for the Provincial or State Legislatures, are to be directed from the centre by an Election Commissioner, who has the same security of tenure as a Judge of the Supreme Court, and is therefore quite independent of political parties. This is very necessary, because we are making a gigantic experiment in democracy. We have adult franchise: everybody above 21, man or woman, has a vote—which means, in a country with a population of 360 million, an Electoral Roll of about 180 million. Each constituency of the Federal Parliament will have on an average a register of something like 360,000 voters, of whom nearly 80% may be illiterate. The problem of illiteracy may not, however, prove as serious as it seems at first sight. Let me explain why.

The Editor of a well-known New York journal was recently in India and has given us a most interesting account of what he found. In a small village near Cal-

Annual Meeting—Sir Benegal Rau

cutta he spoke through an interpreter to a farmer of 52 whom he discovered to be a fine conversationalist, well-versed in Hindu religion and philosophy. After 40 minutes of talk, the visitor expressed the hope that upon his return to the United States, he might continue the discussion by correspondence. To his amazement he was told that the farmer could not read or write. In Madras he had a similar experience, following a lecture which he delivered at the University. A young man of about 30 got up to ask a question about political organization in America. The lecturer, in the 5 minutes allowed for each question, did his best to explain; at the end of the lecture, he sought out the questioner and offered to send him further material from America if he would write down his name and address. The young man, who spoke quite good English, said he had not yet learnt how to write in English or indeed any other language. Incidents of this kind occurred repeatedly and the visitor realized at last that people could be well-developed intellectually and yet have no contact with the written word.

There is not only this widespread illiteracy, but there is also lack of knowledge, as we count knowledge. Away from the towns—and, as you all know, the Indian population is very largely rural—even the names of Roosevelt, Churchill, Stalin, Hitler, Truman and Attlee are unknown. Far less is there any knowledge of such things as Communism or Democracy or Atomic Energy or the Korean War or the United Nations.

All the same, the people are not backward or unintelligent. In their own way, they are quite well-informed, of the things they need for their own daily purposes. They have also a very highly developed sense of justice and moral obligation.

It would, therefore, be wrong to assume that merely because of his illiteracy, the Indian villager would be unable to form an intelligent judgment on the things that concern him or to cast an intelligent vote. In all probability, the present leadership will be returned to power in India at the next election.

I should like finally to refer to a subject which has been very much in my mind of late—that of the underdeveloped countries of South and Southeast Asia, where you have a population of about 650 million living in chronic malnutrition, with intermittent starvation. Wherever I have spoken, I have found that there is—as there must be—a great fund of sympathy and good will for this mass of humanity. I showed a film last night at the Victoria University by way of demonstrating how much can be done in a small way to help these people. Help on a government-to-government basis introduces various complications; but on a people-to-people basis, it may be much easier and not less effective. It will bring the peoples of the world nearer to each other and make it a happier place to live in.

MR. HERMANT: I will now call upon our President-elect, Mr. D. H. Gibson, C.B.E., to say a word to the members of the Club and to express our thanks to His Excellency Sir Benegal Rau. Mr. Gibson was formerly Vice-President, and is now a Director of the Robt. Simpson Co. Ltd. He is a Director of the National Life Assurance Co., and other leading industrial organizations. As Mr. Stapells has pointed out, he is the National Pres. of the Dominion Council of the Navy League of Canada, and is the National Chairman of the United Church Pension Fund. Mr. Gibson is a Past-Pres. of the Board of Trade of the City of Toronto. He is also well known in the Old Country and in Europe where he has visited regularly over a period of twenty years.

MR. GIBSON: Your Excellency, this Empire Club of Canada has a long history, and your visit and speech will be among the memorable ones we have had in recent years. We members of this Club, I am certain, believe that there reside within the Commonwealth power and minds adequate for the world's need.

As you spoke, Sir, I was reminded of the flexibility of the Commonwealth which you say is changing in form. It changed so widely and so rapidly that we had a General Smuts, an enemy in one hour, and yet in his later years no voice was probably heard across the world with more influence, more steadfastness. We believe, with all our distress of mind, with all the deep stirring of the emotions in these times, that the Commonwealth, including Canada on the one side and India with her far-reaching influence in S. E. Asia on the other, has an important place in world affairs.

Our debt to you, Sir Benegal, is very great, for your sacrifice of time and energy, in trying to solve the Korean problem.

Further, I am convinced that it would be well for us to have men from India and men from other parts of the Commonwealth in our midst, for the influence of this Empire Club in the days to come will be far-reaching. We live in serious times, we live in days when men of thoughtful minds and men in authority have a difficult time, and it is very encouraging to hear you speak of those abiding links and the devotion of your people to the Commonwealth.

I think it is proper that we honour our guest today. He carries a great dignity, and one of the highest gifts His Majesty can bestow upon any man, the honour of a knighthood. He carries that honour with dignity and grace, and when we remember that he was educated first in Madras and later in Cambridge, we are led to believe that the riches of this Commonwealth are exemplified in the great mind of His Excellency.

THE EMPIRE CLUB OF CANADA, TORONTO, ONTARIO
REPORTS AND ACCOUNTS

30th April, 1951

5th September, 1951

The President and Members of the Executive Committee,
The Empire Club of Canada,
Toronto, Ontario.

GENTLEMEN,

We have examined the books and accounts of the Empire Club of Canada, Toronto, Ontario, and have prepared and attach hereto a Statement of Receipts and Payments for the year ended 30th April, 1951.

We report thereon as follows:—

Membership Fees:

We are satisfied that in total all 1950-51 fees receivable from Members on record as in good standing as at 30th April, 1951, have been accounted for.

Membership Roll:

Following is a summary of the Membership Roll for the year:

	Resident	*Non-Resident*	*Honorary and Life*	*Total*
Membership Roll as at 30th April, 1950	1,268	59	20	1,347
Net Increase or Decrease ..	144	15	2	161
Membership Roll as at 30th April, 1951	1,412	74	22	1,508

The Treasurer has certified that the Roll as at 30th April, 1951, contained 1,508 Members as shown above.

Payments:

All payments made during the year were duly authorized by the Executive Committee.

Liabilities:

Mr. G. A. Lascelles, the Chairman of the Finance Committee, has certified that outstanding accounts as at 30th April, 1951 totalled $25.00.

Fidelity Bond:

Mr. W. W. Comber, the Treasurer, is bonded for $500.00.

Insurance:

Office Furniture is covered by a fire insurance policy in the amount of $485.00.

Acknowledgment:

We express our appreciation of the courtesy and assistance extended to us by the Treasurer during the course of our audit.

Reported by,
H. T. JAMIESON LEMAY & COMPANY,
CHARTERED ACCOUNTANTS.
Honorary Auditors.

THE ANNUAL FINANCIAL STATEMENT

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH APRIL, 1951

Cash on Hand and in Bank as at 30th April, 1950				$2,016.31
RECEIPTS				
Membership Fees		$7,438.00		
Extra Contributions from Members		89.00		
Proceeds of Sale of Year Books		19.50		
Interest:				
On Investments	$ 45.00			
On Bank Balance	39.70			
		84.70		
			$7,631.20	
PAYMENTS				
Luncheon Expenses net of proceeds of sale of Tickets		$ 896.71		
Honoraria:				
Secretary	$600.00			
Treasurer	200.00			
		800.00		
Miscellaneous Expenses		248.28		
Office Equipment		82.00		
Printing, Stationery and Postage		2,445.54		
Printing 1949-1950 Year Book		2,018.36		
Recording and Publicity		221.34		
Speakers Fees and Expenses		213.10		
Telephone and Telegraph		133.18		
			$7,058.51	
Excess of Receipts over Payments				$ 572.69
Cash on Hand and in Bank as at 30th April, 1951				$2.589.00

We report that we have examined the books and accounts of The Empire Club of Canada, Toronto, Ontario, for the year ended 30th April, 1951, and have obtained all the information and explanations we have required and that, in our opinion, the above Statement shows correctly the Receipts and Payments of the Club for the year ended 30th April, 1951.

In addition to the Cash Balance of $2,589.00, the Club holds $1,500.00 Dominion of Canada 3% Ninth Victory Loan Bonds due 1st September, 1966.

As at 30th April, 1951, the Club was committed to publish the 1950-51 Year Book at an estimated cost of $2,500.00

H. T. JAMIESON LEMAY & COMPANY,
CHARTERED ACCOUNTANTS,
Honorary Auditors.

Toronto, Ontario.
5th September, 1951.

OFFICERS AND EXECUTIVE COMMITTEE

Year 1951-1952

President: David H. Gibson, C.B.E.
1st Vice-President: Brig. Colin Campbell, D.S.O., O.B.E.
2nd Vice-President: H. R. Jackman
3rd Vice-President: John William Griffin
Secretary: Ernest Miles
Honourary Treasurer: W. W. Comber, C.A.
Honourary Auditor: H. T. Jamieson, F.C.A.

Executive Committee:

Col. F. F. Arnoldi, D.S.O.
H. C. Bourlier
R. N. Bryson
Dr. Clarence Crummey
S. S. Fletcher
Horace Harpham
Warren B. Hastings
Lieut.-Col. N. D. Hogg, M.B.E.
Arthur E. M. Inwood
James H. Joyce
Norman A. Keys, K.C.
G. A. Lascelles
Donald F. McDonald
David G. C. Menzel
Harold Menzies
John William Perry
R. Ford Ralph
Dr. E. J. Trow

Immediate Past President:

Sydney Hermant

Past Presidents:

Thos. H. Howse
J. P. Pratt, K.C.
H. G. Colebrook

CONSTITUTION

INSTITUTED 1903

THE OBJECT OF THE CLUB IS THE ADVANCEMENT OF THE INTERESTS OF CANADA AND A UNITED EMPIRE

Organization of the Club and Branches

Art. 1.—(1) The organization shall be called The Empire Club of Canada.

(2) Branches of the club may be established with the authority of the Executive Committee, and subject to such conditions and regulations as may from time to time be decided upon by the Club in Toronto.

(3) A committee may be appointed under the provisions of sub-section 2, article 1, for the establishment of branches of the Club, and the word "Unit" shall denote a Branch.

Classes of Members

Art. 2.—The Membership of the Club shall consist of

(a) Active Resident Members,
(b) Non-Resident Members,
(c) Life Members,
(d) Honorary Members,
(e) Associate Members,
(f) Corporate or Sustaining Members.

All members must be of the full age of sixteen years, and members of classes (a), (b), (c), (d) and (f) must be British subjects.

Active Resident, Non-Resident and Associate Members

Art. 3.—(1) Candidates for Active Resident, Non-Resident and Associate Membership shall be proposed and seconded by two members of the Club in good standing, and shall be elected by a two-thirds majority of those present at any meeting of the Executive Committee.

(2) Subject to sub-section 4 of this article Active Resident and Associate members shall pay an annual fee of $5.00 and Non-Resident members $3.00, payable on or before the first day of October in each year. Payment of such fees shall entitle each member to receive a copy of the Year Book. No member in arrears for fees or dues shall be considered in good standing or be eligible for office.

(3) Associate members shall not have the privilege of voting or holding office.

(4) Members whose applications for membership are received after the first day of April in any year shall pay one annual fee only in respect of the period from that time till the 30th day of September in the following calendar year.

Life Members

Art. 4.—(1) Life Members, not exceeding ten in any one year, may be elected from time to time, at an open meeting of the Club, upon the recommendation of the Executive Committee. Provided, however, that Ministers of the Federal Parliament and Premiers of the different Provinces of the Dominion of Canada may be eligible for election at any time, even though their election may cause the number of Life Members to exceed ten in one year.

(2) Life Members shall pay a fee of $75.00 in one sum.

Honorary Members

Art. 5.—(1) Honorary Members may be elected upon the recommendation of the Executive Committee, and at a general meeting of the Club.

(2) Honorary Members shall be exempt from the payment of fees, but shall not have the privilege of voting or holding office.

Corporate or Sustaining Members

Art. 5A—Any company, partnership or business organization shall be eligible for election as a Corporate or Sustaining Member. Applicants shall be proposed by two Active Resident Members of the Club in good standing and the application shall contain the name and position of the Officer nominated by the Applicant as its Candidate for membership. The Applicant and its Nominee shall be elected by a two-thirds majority of those present at any meeting of the Executive Committee. A Sustaining or Corporate Member shall pay an annuel fee of $50.00 which shall include the fee of its representative member.

Officers to be Elected

Art. 6—(1) The officers of the Club shall consist of an Honorary President; a President; First, Second and Third Vice-President; an Honorary Treasurer, or a Treasurer, or both; an Honorary Secretary or a Secretary, or both; an Executive Committee which shall consist of the officers appointed under this Article and 17 other members, who, with the officers, shall be elected by ballot, and of the ex-officio members hereinafter mentioned. There may also be elected an Assistant Secretary and Assistant Treasurer. Three Past Presidents together with the immediate Past President shall be the ex-officio members of the Executive Committee for the ensuing year.

Election of Officers

(2) The election of Officers of the Club shall take place at a general meeting of the members, to be held not later than April 30 of each year, at a date to be decided upon by the Executive Committee, and this meeting shall be deemed to be the Annual Meeting. The Officers and Executive Committee then elected shall hold office until April 30th, of the following year, and thereafter until their successors respectively have been duly elected and installed. A Nominating Committee consisting of five members of the Executive Committee and four other members (this Committee shall select its own Chairman)

shall be appointed by the Executive Committee and approved at a regular or special meeting of the Club not less than four and not more than six weeks before such Annual meeting, due notice of such regular or special meeting to be given to all members in good standing, and such Committee shall report to the Annual Meeting. If nominations do not exceed the number of the officers and members of the Executive Committee necessary under the Constitution, the President shall instruct the Secretary to cast one ballot in favour of those so nominated and thereupon such persons shall be declared by the President to have been duly elected.

(3) An Auditor or Honorary Auditor shall be elected at each Annual Meeting.

Standing Committees

(4) Standing Committees shall be appointed as follows:

(a) Budget and Finance Committee.
(b) Speakers' Committee.
(c) Membership Committee.
(d) Constitution Committee.
(e) Luncheon and Reception Committee.
(f) Publicity Committee.
(g) Year Book Committee.

Filling of Vacancies Among Officers

Art. 7.—In the event of an office becoming vacant by death, resignation, or otherwise, the vacancy thus caused shall be filled by the Executive Committee and the person so chosen shall hold office until the next Annual Meeting.

Duties of Officers

Art. 8.—The duties of the Officers shall be those customary to such positions in similar organizations.

Holding of Meetings

Art. 9.—(1) The Club shall hold general meetings weekly, if possible, from October to April, both inclusive, in each twelve months with such intermissions as from time to time may be decided upon.

(2) At the Annual Meeting a report of the year's proceedings and work shall be submitted by the President, and this report shall be accompanied by an interim report from the Treasurer. An audited statement of the finances of the Club for the full financial year shall be published in the Year Book.

Notice of Meetings

Art. 10.—Written or printed notices of all meetings shall be given to the members of the Club. Such notices shall be sufficient if addressed to the members, and deposited post paid in the post office in Toronto.

Quorum at Meetings

Art. 11.—Fifteen members in good standing shall constitute a quorum at any meeting of the Club, general, annual or special, and the presiding officer shall have a casting vote. Nine members shall form a quorum of the Executive Committee.

Limitation of Business at General Meetings

Art. 12.—No business other than the hearing of the addresses and notices of motion shall be introduced at any meeting of the Club, unless it has been submitted to the Executive Committee and received its approval.

Calling of Special Meetings

Art. 13.—Meetings of the Executive Committee shall be called by the President, or on a requisition signed by three of its members. Special meetings of the Club may be called by the President, and shall be called by him on a requisition signed by twelve members and stating the object of the meeting. This object shall be stated in the notice calling the special meeting.

Financial Year

Art. 14.—The Financial Year of the Club shall begin on the first day of May in each year and end on the thirtieth day of April in the year following.

Amendments to Constitution

Art. 15.—This Constitution may be amended at the Annual Meeting, or at a special meeting called for that purpose, subject to a two thirds majority vote of the members present.

MEMBERSHIP

as at April 30, 1951

LIFE MEMBERS

Bickell, J. P.
Bruce, Hon. Dr. Herbert
Clouse, Dr. Elias
Clouse, F. L.
Cobham, Arthur H.
Coombs, F. J.
Cosens, Gordon G.
Eaton, Donald L. H.
Johnson, E. E.
MacKendrick, Col. W. G.
Maher, James P.
Murdoch, J. Y., K.C., LL.D.
Sandy, J.
Scythes, J. A.
Stapells, H. G., K.C.
Stapells, R. A.
Stewart, J. F. M.
Tindall, H. B.
Wilson, Col. J. E.

HONORARY MEMBERS

Bourlier, H. C.
Geary, Major B. Handley, V.C.
Gillespie, Lt.-Col. George H.

NON-RESIDENT MEMBERS

Adarkar, B. P.
Ahern, E. G.
Alexander, R. W.
Beaumont, Arthur
Begley, Geo. E.
Black, H. H.
Boag, Ernest C.
Bradley, Bruce H.
Bradley, E.
Cartwright, Briggen G. S.
Cranstoun, John A.
Davidson, George MacK.
Deadman, Dr. W. J.
Drew, Hon. Geo. A.
Duff, R. B.
Dutton, B. A.
Empringham, John R.
Ford, W. B.
Gilbert, C. A.
Grant, J. W.
Hale, C. Harold
Hale, J. R.
Hitchcock, C. H.
Hogan, Alfred H.
Hooper, Col. B. O., D.S.O., M.C.
Huckvale, Robert
Hughes, Gordon R.
Hunter, Lt.-Col. F. Fraser
Hutcheson, Frank W.
Jackson, E. H.
Jackson, George B.
Jamieson, Fraser
Johnston, R. C.
Kendall, Philip F. J.
Kerr, A. B.
Kidd, Hon. T. Ashmore
Kimpton, J. R.
Krause, Edwin H.
Labatt, Lt.-Col. Hugh F.
Leather, Harold H.
Levee, Paul M.
Leydon, C.
Lovell, E. A.
MacLennan, H. Alexander
Mambert, Ray R.
McCaul, L. F.

McCrae, W. H.
McCulley, Joseph
McLaughlin, Col. R. S.
Moffat, J. Mel
Moffat, John A.
Newman, J. M., M.P.P.
Norman, J.
Ostrom, W. R.
Over, Spencer Henry, C.A.
Pigott, W. P.
Preston, J. H.
Prince, Col. Alan C.
Pugsley, T. Aubrey
Raycroft, R. I.
Rice, H. E.
Rickwood, George
Robinson, W. E.
Smith, Gordon E.
Snowdon, C. Allen
Stokes-Rees, Cdr. R. H.
Thompson, E. F.
Thompson, J. R.
Tupper, Charles
Wallace, Brig. F. C.
Weeks, A. L.
Whitmore, Harold
Wideman, Harvey
Wilson, Thomas L.
Wood, Chester, F.

RESIDENT MEMBERS

Abbs, Charles E.
Ackehurst, A. V.
Acker, H. N.
Adair, Herbert E.
Adams, G. W.
Adams, J. C.
Affleck, A.
Agar, Norman E.
Alberts, Edgar T.
Alexander, John B.
Alexander, P. Norman
Alexander, Robert
Allanson, Harry E.
Allen, Gurston
Allnutt, Rev. F. B., D.TH.
Alvaer, Leif
Ander, J.
Anderson, C. Harry
Anderson, E. H.
Anderson, J. Murray
Anderson, Ross
Anderton, L.
Andrew, Archdeacon G. A.
Andrew, George.
Angus, W. Harry
Appleton, C. N.
Armstrong, J. H.
Arnoldi, Col. F. F., D.S.O. & BAR
Ash, W. M. V.
Ashbury, Ivan H.
Askin, R. J.
Assheton-Smith, J. E.
Atkinson, F. L.
Auld, James

Babbitt, G. W.
Babcock, Harold A.
Bailey, Baldwin W.
Bailey, William Gill
Bain, H. R.
Bainard, R. H.
Baker, Col. E. A.
Baker, E. G.
Baker, Eric W.
Baker, George A.
Balcon, J.
Baldwin, Charles O.
Balfour, Keith C.
Band, Charles S.
Barber, George
Barber, John R.
Barber, William
Barclay, D. F.
Barford, R. A.
Bark, W. A.
Barnard, E. A.
Barrett, Brian N.
Barrett, William W.
Bartholomew, F. W. E.
Bartley, George E.
Bartman, G. M.

Bassett, John
Bate, William B.
Bates, Dr. Gordon
Bates, William D.
Batten, Reg. A.
Baxter, Major James
Bealey, Ernest R.
Beaton, John W.
Beatty, C. W.
Beatty, Dr. H. A., M.R.C.S.
Beatty, J. G.
Beck, J. Stafford H.
Bedford, Morley S.
Bedolfe, Robert D.
Beeston, George H.
Bell, Lt.-Col. Arthur A.
Bell, Stewart C.
Bennett, A. B.
Bennett, David T.
Bennett, Major James W.
Benson, D. F.
Berkinshaw, R. C.
Best, Douglas W.
Best, Gordon H.
Best, T. Harrison
Best, T. W.
Betts, D. Clive
Bick, C. O.
Bickle, E. W.
Bishop, A. L.
Bishop, H. H.
Bishop, Percy W.
Blackwell, H. W.
Blackwell, Hon. Leslie E.
Blake, Parker G.
Blenkinship, C. S.
Blight, W. Rae.
Blue, M. F.
Boehm, A. Fred
Bogart, Ernest C., K.C.
Boland, John B.
Bolger, H. N.
Bolsby, P. J. K.C.
Bone, Fred A.
Bongard, Gordon R.
Bongard, R. R.
Bonnell, W. H. M.
Booth, E. H.
Bosnell, G. M.
Bottrill, E. A.
Bourne, J. H.
Bourne, T. W. H.
Boxer, Reginald N.
Boylen, Major J. C.
Boyter, J. B. C.A.
Brain, George M.
Brandon, N. D.
Britnell, Robert G.
Broadley, J. E.
Brocklebank, Frank
Brockwell, Meredith
Brooke, Arthur T.
Brookes, Air Vice Marshal, G. E.
Brown, F. Irving
Brown, James N. M.
Brown, J. Somerville
Brown, Murray
Brown, Ross S.
Brown, Stuart H.
Brown, W. E.
Bryce, Robert A.
Bryce, W. Arch
Bryson, R. N.
Burden, John M. K.C.
Burgess, John H.
Burke, E. T. C.
Burn, Kenneth
Burnett, E. R.
Burns, H. D.
Burns, Lloyd
Burt, A. W.
Burton, C. L.
Burton, E. G.
Burton, G. Allan
Bush, Clayton E.
Bushnell, Wm. J.
Butler, N. E.
Butt, Harold A.
Buxton, Julian W.
Buyers, Russell W.
Byrne, A. T.

Calder, B. R.
Calvert, Gilbert W.
Calvin, C. C., K.C.
Cameron, Harry
Campbell, C. R.
Campbell, Brig. Colin A.
Campbell, Dr. Colin A.

Campbell, E. M.
Cape, J. R.
Capell, S. L.
Carey, A. R.
Carl, Gordon A.
Carlisle, C. H.
Carlyle, D. B.
Carnegie, F. T.
Carr, E. F.
Carr, John Bulloch
Carradus, Capt. H. R.
Carriere, S. W.
Carscallen, H. M., K.C.
Carson, C. E.
Carson, James L.
Carter, F. H.
Carter K. LeM.
Cartwright, T.
Case, Everett J.
Cassidy, Frank C.
Cassidy, H. F.
Casson, John
Caulder, J. A.
Chadwick, William
Chalmers, Floyd S.
Champ, Edward C.
Chappell, H. L.
Charles, Leo E.
Chater, Harold T.
Chenoweth, Dr. T. Oswald
Chester, Lane R. C.A.
Chillman, Harry E.
Chisholm, Lt.-Col. G. T.
Chisholm, John
Chisholm, Robert F.
Chisholm, W.
Church, John A.
Clark, C. T.
Clark, John G.
Clarke, E. R.
Clarke, Richard L.
Clarkson, John
Clemes, J. C.
Close, Marshall
Clouse, Geoffrey L.
Clouse, Grant
Cobb, Christopher J.
Cockburn, Blake A.
Cockburn, R. N.
Cockell, J. Horace
Coke, Major E. F.
Colberg, A. M.
Colby, S. A.
Cole, Joseph A.
Colebrook, H. G.
Coles, Gordon E.
Coles, Kenneth
Collett, David B.
Collington, George E.
Comber, W. W., C.A.
Conant, Hon. Gordon D., K.C.
Conlon, C. A.
Connolly, C. P.
Conquergood, C. R.
Conquergood, James R.
Coon, H. J.
Cork, J. Milton
Cornish, F. Joseph
Cornish, Prof. G. A.
Corrigan, Dr. C. A.
Corrigan, Fred S.
Corson, R. R.
Cosgrave, Rev. Dr. F. H.
Cottingham, H. R.
Cottrelle, G. R.
Coulter, J. E.
Coulter, W. C.
Coulter, W. Howard
Courtice, A. Roy
Coutts, William E.
Cowan, P. J.
Coyle, J. P.
Coyne, Gordon
Craft, George B.
Craick, W. A.
Craig, Lt.-Col. J. A. D., C.A.
Crang, J. H.
Crawford, F. J.
Crawford, N. R.
Crawford-Brown, Major Lyman
Creber, George Edgar
Creighton, Arthur H.
Crighton, A. S.
Cross, William B.
Crossin, H. W.
Crossingham, J. H.
Crummey, Dr. Clarence B.
Currie, George

Daly, R. A.

Daly, Roland O.
Dampsy, John
Dargavel, R. B.
Davies, H. E.
Davis, Bertram N.
Davis, Cyril Alfred
Davis, C. B.
Davis, George A.
David, R. Reade
Davis, W. H.
Davis, Walter W.
Davison, Martin A.
Dawson, Isaac
Dawson, J. H.
Dawson, W. M.
Day, Robert E.
Day, W. D.
Deacoff, G. A.
Deacon, H. L. T.
Dearlove, Frank E.
DE Galatoff, A. N.
Demcoe, J. W.
Dent, C. R.
Dennehy, H. M.
Despard, W. H.
Detweiler, W. O.
DE Veber, L. S.
Devlin, C. B.
Dewar, A. M.
DeWitt, Prof. N. W.
Dickey, A. J.
Dicks, A. W. F.
Dies, W. C.
Dilworth, H. LeRoy
Dilworth, W. A.
Diven, Robert E.
Dix, William B.
Dockstader, J. A.
Dodd, George W. W.
Dodd, R. N.
Doke, M. E.
Doleman, A. J.
Dolson, Dr. Wilbur J. M.
Donaldson, John
Donovan, Bernard J.
Douglas, Howard R.
Draimin, Charles
Draimin, T. K.
Draper, B. M.
Druckman, S.
Duckworth, Lloyd
Duff, John M.
Duffett, Norman G.
Duke, A. A.
Duke, S. A.
Duncan, James S.
Dunkelman, D.
Dunlap, D. M.
Dunn, Norman M.
Dunn, William
Dutton, Thomas M.
Dye, Harold E.

Eager, King
Eakin, Joseph S.
Eastmure, A. W.
Easton, J.
Eaton, A. Y.
Eaton, Col. R. Y.
Eby, H. D.
Edwards, A. Geoffrey, F.C.A.
Edwards, H. Percy, F.C.A.
Edwards, Lt.-Col. W. F. L.
Eland, Wynne E. A.
Elgie, G. C., K.C.
Elliot, B. V.
Elliott, Charles R., C.A.
Elliott, G. N.
Elliott, T. L.
Ellis, C. Q.
Ellis, Matthew T.
Ellis, R. M.
Elton, J. O.
Ely, Edward H.
Engholm, F. G.
England, Charles
Enman, H. L.
Entwistle, John S.
Epstein, Morris H.
Ewing, George
Ezrin, Maurice

Faber, George
Faber, R. W.
Fairclough, R. P.
Fairs, C. G.
Falconer, H. W.
Faulder, W. H.
Fennell, Robert H., K.C.
Fenton, Dr. W. K.

Fenwick, Gordon
Ferguson, H. H.
Ferguson, H. M.
Ferguson, M.
Fessenden, C. V.
Field, R. W. A.
Findlay, Major D. M.
Finlay, Fred J.
Finlayson, Cecil, K.C.
Firstbrook, Hugh M.
Fisher, A. B.
Fisher, Frank
Fisher, J. W.
Fishleigh, Harold F.
Fishman, Philip
Fitzpatrick, R. G.
Flavelle, Sir Ellsworth
Fleming, Donald M., M.P.
Fleming, Major Robert
Fletcher, S. S.
Forrester, William J.
Fox, E. D.
Frame, S. J.
Frankel, Egmont L.
Frankel, Roy H.
Frankling, T. H.
Frazer, A. W.
Freyseng, Willis P.
Frost, C. Sydney
Frost, Harold R.
Fry, H.
Fulford, R. T.
Fuller, Cyril
Funston, R. O.
Fyvie, J. M.

Gairdner, J. A.
Garber, Frank
Gardiner, F. G., K.C.
Gardiner, H. H.
Gardiner, Percy R.
Gardner, R. J. Currie
Garrett, Albert H.
Gaunt, J. William
Geary, J. J.
Geggie, Thomas P., C.A.
Gelber, Edward E.
Gelber, Louis
Gelber, Marvin B.
Gemmel, Hon. W. S.
Genovese, Frank A.
Gerow, Frank T.
Gerstein, Bertrand
Gervais, Paul E.
Gianelli, Brig. Norman A.
Gibb, W. Kenneth
Gibbens, W. M.
Gibson, D. H. C.B.E.
Gibson, E. H.
Gibson, Robert C.
Gilbride, W. P.
Gilchrist, Dr. A. J.
Gilchrist, Prof. Lachlan
Giles, T. S. H.
Gill, Capt. Cecil
Gill, E. C.
Gillard, Harry R.
Gillespie, Dugald L.
Gillespie, R.
Gillespie, William
Gillett, L. G.
Gillies, J. J. A.
Glennie, George H., C.A.
Godfrey, Frank
Godfrey, Sam
Gohn, Byron E.
Goldenberg, Morris
Goldring, Dr. C. C.
Goldsmith, Martin
Gooderham, Alexander L.
Gooderham, M. Ross
Goodman, Edwin A.
Gordon, H. G.
Gordon, William E.
Gosselin, F. F.
Gostling, Brig. G. S. N.
Gould, J. Lyall S.
Gowdy, D. M.
Graham, D. M.
Graham, Kingsley, K.C.
Graham, J. Lindsay
Grainger, R. N.
Grand, Percy F.
Grant, G. E.
Grant, J. R.
Grant, Lt.-Col. L. F.
Grant, W. G. F.
Grattan, William R. B.
Gravely, J. F.
Gray, J. D. M.

Greatrex, S. H.
Green, J. D.
Greenhough, Thomas C.
Griffin, J. W.
Griffin, P. R.
Griffith, W. L.
Griffiths, F. D.
Grigg, Laurence E.
Grimbly, Maurice
Grisdale, C. L.
Grose, George W.
Guest, A. E.
Guest, Wm. C.
Gully, Harold M.
Gundy, C. L.
Gundy, J. H.
Gunn, Major General John A.
Gunyon, C. Cecil

Hadden, Eugene R.
Hahn, George
Hair, Dr. C. H.
Halbus, Prof. Frank
Hall, Howard A.
Hall, I. C.
Hall, William
Hallarn, W. J.
Ham, C. N.
Ham, E. F.
Hambly, Herbert
Hambourg, Boris
Hamilton, A. E.
Hamilton, C. S.
Hamlin, Dr. Fred V.
Hammell, J. E.
Hammond, Edward
Hanna, William B.
Harbinson, V. D., F.C.A.
Harcourt, Major R. M.
Harding, Paul S.
Harding, Thomas
Hardy, George
Hardy, H .R.
Hardy, Norman E.
Hargraft, W. M.
Harman, H. M.
Harpham, Cecil
Harpham, Horace
Harris D. Lou
Harris, Joseph H.
Harrison, James F.
Harrison, Kenneth J.
Harrison, R. A.
Harrison, W. E.
Harron, Hal S.
Harton, E. Douglas
Harvey, R. C.
Harvey, Dr. W. J.
Harvey, Warren G.
Hastings, C. E.
Hastings, Thomas C.
Hastings, Warren B.
Hatch, Carr
Hatton, Edward
Hawke, Eugene
Hawkins, V. S. G.
Hay, Frank
Hayden, Hon. Salter A., K.C.
Hayes, Barry B.
Hayward, A. P.
Heagerty, Leo J.
Hees, George H.
Heintzman, Charles T.
Hemmerick, George
Henderson, D. C.
Henderson, Herbert A.
Henry, Hon. G. S.
Henson, R.C.C.
Hermant, Percy
Hermant, Sydney
Herod, Wesley J.
Heron, Matthew W.
Hewett, F.V.C.
Heywood, P. K.
Hibbs, N. L.
Hicks-Lyne, R. T. E.
Higgins, Fred Page, F.C.A.
Highmoor, C. K.
Hilborn, Melvin, C.A.
Hill, E. E.
Hill, Edwin G.
Hill, F. W. J.
Hill, John D.
Hill, Roy C.
Hillman, Ben
Hillmer, R. W.
Hillock, James
Hipp, C. E.
Hoare, Charles T.
Hobson, W. J.

Hodgins, Albert
Hodgins, O. V.
Hodgson, W. W.
Hoffman, Howard B.
Hogg, N. D., M.B.E.
Hogg, W. L.
Holliss, J. F.
Holmes, Noel
Holtzman, M. E.
Honey, Dr. E. M.
Hooker, Edwin R. K.
Hookway, C. W.
Hoover, A. I.
Hopgood, Charles R.
Hopkins, Howard
Hopkins, Oliver B.
Hopkins, Percy E.
Hopper, C. Clark
Horne, J. V.
Hornell, Allen
Hosking, James O.
Hotrum, Frederick
Houghton, E. O.
Houghton, W. R.
House, Arthur W.
Houston, H. T.
Houston, John M.
Hovey, Frederick L.
Howard, Clifford H.
Howden, Rev. H. R.
Howe, H. J.
Howse, Thomas H.
Hoyes, H. C.
Hudspeth, Rev. W. H., M.B.E.
Huffman, George E.
Hughes, John A.
Hughes, Sam H.
Hugill, Albert E.
Hugill, W. M.
Hull, Rodney
Hultay, William
Humphreys, W. Eason
Humphries, W. R. B.
Hunt, A. T.
Hunt, John F.
Hunter, B. B.
Hunter B. Pepall
Hunter, Donald F.
Hunter, Rev. E. Crossley
Hunter, E. J.
Hunter, H. T.
Hunter, K. M., C.A.
Hurlbut, C. A.
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